



# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

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### Commander Addresses NDC Officers

92SE0087B Rangoon *THE WORKING PEOPLE'S DAILY* in English 4 Nov 91 pp 12, 2

[Text] Yangon, 3 November—Commander of Yangon [Rangoon] Command HQ Maj-Gen Myo Nyunt accompanied by Staff Officers this morning visited the National Defence College [NDC] where he inspected agriculture and livestock breeding activities there.

The Command Commander and party were welcomed by Commander of No. 1 Military Region Col Tin Ngwe, Deputy Commandant of the College Lt-Col Aung San and instructors.

Later in the meeting room, the Deputy Commandant of the NDC reported to the Command Commander agriculture and livestock breeding activities of the NDC.

Next, the Yangon Command HQ Commander met with the officers, other ranks and their families of the NDC in the lecture hall.

He first elaborated the significance of the place now taken by the NDC and its historical background. He explained how 85 Tatmadaw officers sacrificed their lives in their attempt to storm the KNDO stronghold in 1949 and how 85 former officers of the Tatmadaw attempted to cause disintegration of the country in 1988.

He stressed the need to be loyal to the State as well as to the parents and teachers. Certain ex-officers of the Tatmadaw were no longer loyal to the Tatmadaw; instead they were attempting to cause disintegration of the Tatmadaw, he said.

Maj-Gen Myo Nyunt then quoted wording in the news bulletin of the Union Nationals Democracy Party for October 1991 and said that they were trying to cause disintegration of the Tatmadaw though they seemed to be in support of the Tatmadaw.

Regarding political parties, he said that certain political parties had signed pledges stating that they had no contact with terrorist organizations and sent them to the government but they maintained contacts with terrorist organizations clandestinely.

As regards economy, he stressed the need for undertaking agriculture and livestock breeding activities as instructed by Deputy Commander-in-Chief (Army) General Than Shwe in order to achieve success in economy in 1992.

Finally, he called on all those present to follow the advice contained in the address of Chairman of the State Law and Order Restoration Council Senior General Saw

Maung on 28 October 1991 when he met with State/Division Law and Order Restoration Council Chairmen.

Afterwards, the Yangon Command HQ Commander inspected agriculture and livestock breeding activities of the National Defence College. He left the NDC at 11:30 a.m.

### Minister Urges Increase of Rice Production

92SE0087A Rangoon *THE WORKING PEOPLE'S DAILY* in English 5 Nov 91 pp 12, 7

[Text] Yangon, 4 November—A coordination meeting of the Myanmar [Burma] Naing-Ngan Rice Millers Association on purchase, milling, transport and storage of paddy and rice for 1991-92 was held at the Myanmar Agricultural Produce Trading on Pansodan Street this morning. Minister for Planning & Finance and for Trade Brig-Gen Abel delivered a speech.

The meeting was also attended by Secretary of the Supervision Committee for Ensuring Smooth Flow of Commodities and for Stabilizing and Bringing Down Commodity Prices Brig-Gen Sein Lwin, Director-General of the Department of Trade U Maung Maung Kyaw, Adviser U Toe Kyi of the Ministry of Trade, Managing Director of the Myanmar Agricultural Produce Trading U Soe Thein and officials, Chairman of the Myanmar Naing-Ngan Rice Millers Association U Kyaw Min and EC members, representatives of the Township Rice Millers Associations, members of the Board of Directors of the JVC No. 2 and guests.

First, personnel concerned delivered speeches.

Next, Minister Brig-Gen Abel addressed the meeting. He said that paddy or rice was the principal agricultural produce and it was necessary to produce more so that the surplus could be exported. He said that the JVC No. 2 came into being based on the rice millers association. He emphasized that both the rice millers and the JVC No. 2 were jointly responsible for the success of the assigned tasks.

The Minister said that work should be carried out with patriotism following the three trading policies. Work done should be within the framework of law, he added.

The Minister called for stabilizing price of rice. He said that the State would reclaim vacant and virgin land.

Afterwards, Managing Director of the Myanmar Agricultural Produce Trading U Soe Thein, General Manager U Saw Aung, General Secretary of the Myanmar Naing-Ngan Rice Millers Association U Win Myint and Executive Director U Thein Shwe of JVC No 2 replied to points raised by the State/Division and Township representatives.

## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### Khmer Rouge Defense Minister Son Sen Profiled

92SE0094B Bangkok BANGKOK POST in English  
18 Nov 91 p 4

[Article by Jane Macartney]

[Text] REUTER, Phnom Penh—The first leader of the bloodstained Khmer Rouge to return to the Cambodian capital was its army chief, a former school teacher who studied Napoleon's campaigns and orchestrated the slaughter of tens of thousands of his countrymen.

Son Sen, 61, returned to Phnom Penh yesterday for a meeting of the Supreme National Council, a reconciliation body grouping the Phnom Penh government, the Khmer Rouge and the two non-communist groups that have been fighting to oust the government since 1979.

A veteran communist who usually hides behind tinted, tortoise-shell spectacles, Son Sen was defence minister during the ultra-Maoist rule of the Khmer Rouge from 1975 to 1979 and was in charge of state security.

The one-time teacher was thus responsible for administering the police and the Tuol Sleng secondary school that was converted into the regime's main torture-chamber.

Some authorities believe Son Sen was a prime mover in the killing of at least 100,000 Cambodians in 1978 alone.

In that year he led an internal purge of party cadres suspected of treachery in the Eastern Zone bordering Vietnam when the paranoia of the Khmer Rouge killing machine turned in on its own.

Son Sen took command of the Peking-backed Khmer Rouge's tens of thousands of guerrillas from the infamous Pol Pot in 1985, ostensibly because the secretive party chief had reached the mandatory retirement age of 60.

Diplomats doubt Pol Pot has stepped down as real military chief and believe the secretive architect of the "Killing Fields" still directs Khmer Rouge policy from safe houses just inside Thailand and along the mountainous jungled border.

Son Sen's background is hazy. He is an ethnic Khmer born on June 12, 1930, in southern Vietnam.

Like Pol Pot, he studied in Paris in the early 1950s, taking philosophy courses at the Sorbonne. By 1955 he had lost his scholarship for organising Cambodian students against then head of State Prince Norodom Sihanouk.

He returned to teach at the Lycee Sisowath, won an appointment at the Buddhist Institute and later became director of a pedagogical institute. In 1963 he was one of 34 teachers fired or transferred for being extreme leftists.

They were the core of the communist movement that called itself Democratic Cambodia, and for which Sihanouk first coined the name the "Khmer Rouge."

Son Sen was ordered transferred to Takeo Province and then disappeared into the jungle with Pol Pot to begin their guerrilla fight for power.

He was given command of the military and studied wars he considered relevant, such as those of Napoleon, to find out how the Russians broke the French imperialists, said author Elizabeth Becker in "When the War Was Over."

He was credited with creating a force of tough guerrilla fighters and for leading the crushing final offensive that swept the shadowy Khmer Rouge into the capital after 10 years of jungle warfare.

On the day of that stunning victory his troops evicted Phnom Penh's two million residents at gunpoint, marching them out to their deaths or to work in the fields in the radical group's brutal attempt to create a pure agrarian society.

His reward was the ministry of defence and a seat as a Politburo member in the administration they called Democratic Cambodia.

Directly under his command was Tuol Sleng, where 20,000 men, women and children were tortured and interrogated before being taken out to the nearby Choeung Ek killing fields to be executed.

People who have met Son Sen say he is taciturn in public but can be the life and soul of private dinner parties. They describe him as witty, amusing and charming.

### Ta Mok Business Ventures, Wealth Noted

92SE0094A Bangkok THE NATION in English  
21 Sep 91 p a4

[Article by Sutin Wannabovorn]

[Text] The top field commander of the Khmer Rouge, whose fanatical communist rule killed up to a million Cambodians between 1975 and 1979, has since grown rich from a range of capitalist ventures in Thailand.

The notorious one-legged guerrilla Ta Mok is unlikely to risk his wealth or his neck by returning to Phnom Penh when an agreement is signed ending the 13-year Cambodian civil war, a business associate and Thai army sources told REUTERS.

They said his ventures were worth hundreds of thousands of dollars, ranging from logging to petrol stations and distribution of farm machinery in Thailand's Sisaket province, opposite his Alung Veng stronghold in Cambodia's Preah Vihear Province.

Ta Mok is a close associate of Khmer Rouge leader Pol Pot and was named by the Phnom Penh government as

one of 12 members of a "genocidal clique" who should stand trial for the murders of Cambodians.

He is said to have protected Pol Pot from a number of coup attempts which led to bloody purges of the Khmer Rouge ranks during their rule.

After invading Vietnamese troops overthrew the Khmer Rouge in 1979 he became vice-chairman and general chief of staff in the guerrilla army, commanding six divisions in the northeast.

A Cambodian peace accord which could be signed in the next few months will omit references to the Khmer Rouge's earlier rule and allow them to stand in elections.

The Phnom Penh government has said it is up to any future administration to decide if it wants to punish Pol Pot, Ta Mok or other senior Khmer Rouge leaders.

However, Ta Mok is likely to sit tight in his fiefdom, the associate and army sources said.

"He has invested millions of dollars in various fields of businesses. Why should he go back to Phnom Penh?" said the associate, who asked not to be identified.

"The farm machines distribution business is run by his adopted son. A gas station is run by his Thai business manager," he said.

Prince Norodom Sihanouk said at peace talks in the Thai resort of Pattaya last month that Ta Mok and Pol Pot had decided not to run in the elections.

Ta Mok also bought about 20 hectares (50 acres) of land in Thailand's Kukhan district in the name of another Thai associate, the sources said.

The provincial governor was investigating the land sale, they said. The governor's secretary told REUTERS his boss was not prepared to answer any questions concerning Cambodian issues.

## ECONOMIC

**Minister Urges More Trade With Vietnam***92SE0074A Jakarta MERDEKA in Indonesian 13 Nov 91 p 3*

[Text] Jakarta, 12 Nov (MERDEKA)—The small volume of trade between Indonesia and Vietnam affords a good opportunity for improving trade ties between the two nations, according to statements made by Junior Minister for Trade J. Sudradjat Djiwandono in a working paper he presented at an Indonesia-Vietnam trade seminar in Jakarta on Tuesday [12 Nov].

The opportunities are great, but a trade increase will depend on how far both countries are able to take advantage of them. Various approaches are now being made toward maximum use of the available trade openings.

New trade policies adopted under Vietnamese economic development during the last several years have been quite successful, but they have not been enough to restore Vietnam's economy from the critical conditions caused by protracted warfare. Since 1986, the Vietnamese Government has been initiating economic renewal efforts, which have been marked by basic policy changes.

"The new policies have shown positive results by improving national rice production, which changed Vietnam from a rice importer in the early 1980's to a rice exporter in 1989 and won for Vietnam the title of third largest rice exporter in the World, after the United States and Thailand. Vietnam recorded rice exports of 1.5 million tons in 1989, which contributed one third of its national foreign exchange revenues," J. Sudradjat said.

The success of development in Vietnam will make a positive contribution to international development in general and to Asia in particular, according to Sudradjat. The need for exploitation of resources to support regional development means that Vietnam must intensify its cooperation with other countries, especially its neighbors.

**Quite Good**

According to the junior minister, Vietnam's economic prospects for the next several years are good. The Asian Development Bank (ADB) estimates that Vietnam's economic growth in 1991 and 1992 will be 4 and 5 percent respectively and says that the agricultural sector is still a major determining factor.

In the industrial sector, growth is expected to be 6 and 7 percent in 1991 and 1992, a relatively high increase caused by more investments and growth in the oil and natural gas industry. Oil production is expected to reach 3.5 million tons in 1991.

Vietnamese exports are expected to rise by 15 percent in 1991 and by 11 percent in 1992. The growth of exports

will be much affected by the extent of rice price controls in some of the provinces, however.

The ADB estimates that Vietnam's imports will grow by as much as 12 percent this year and next.

More growth in imports than in exports will keep a deficit in Vietnam's balance of trade in the near term. The ADB estimates that the deficit will be \$790 million in 1991 and \$910 million in 1992.

**Suharto: Military No Answer to Economic Threat***92SE0074C Jakarta KOMPAS in Indonesian 13 Oct 91 pp 1, 5*

[Text] Jakarta (KOMPAS)—President Suharto stressed that economic threats cannot be faced with military strength but must be met with economic resilience backed by national resilience. The head of state also emphasized that sociocultural threats must be met by sociocultural resilience reinforced by other kinds of resilience.

The head of state said this at Freedom Palace in Jakarta on Tuesday [12 November] when he received a visit by participants in the All-Indonesia Limited Working Conference of Deputy Governors. Minister of Home Affairs Rudini and Minister of State for Women's Affairs Mrs. A.S. Murpratomo were also present.

When President Suharto accepted the credentials of Mexican Ambassador Alberto Campillo Saenz at Freedom Palace, the president stated that his visit to Mexico at the end of this month will be in response to an invitation by President Carlos Salinas de Gortari and will be used to explore expansion of mutually beneficial cooperation between the two countries.

Furthermore, Indonesia will host the Asia Pacific Conference of Cooperatives Ministers scheduled to be held in Jakarta from 18 to 21 February 1992. Preparations for the conference were reported by Bustanil Arifin, minister of cooperatives; Wagiono Ismangil, secretary-general of the Department of Cooperatives; Sri-Edi Swasono, chairman of the National Cooperatives Council; G.K. Sharma, director of the Regional Office for Asia Pacific of the International Cooperatives Alliance (ICA-ROAP); and Karl Fogelstrom.

**Must Assemble Potential**

In his extemporaneous message to the participants in the deputy governors' conference, the president reminded them that threats to a nation now are not entirely military but consist of sociocultural threats, too. "A nation can be destroyed by the economic threats it faces," he declared.

Political and ideological threats may also destroy a nation, for such threats cannot be met by military force. "Economic threats must be met by economic resilience supported by other kinds of resilience," the head of state stressed.

The head of state cited countries like Vietnam that were able to overcome superpowers that possess modern weapons because they were supported by their people, people whose national resilience was very great.

He said that by national resilience he meant the assembling of all potential the country possesses, including the potential of both rural and urban communities and of women. "This potential must be assembled in such a way that they constitute a dependable force for meeting all challenges from within or without," he declared.

### Role of Women

The president also stressed that the implementation of development is simultaneously for the enhancement of national resilience and expansion of the role of women. Therefore, as we complete REPELITA V [Fifth Five-Year Development Plan], the basic framework must be strong, which includes the role of women.

"If these are developed and guided, they will provide great support to the creation of a national character oriented to development, especially in the framework of improving the public welfare while at the same time supporting national and political resilience and economic, sociocultural, and defense and security conditions."

"Deputy governors should be thoroughly aware of this. Don't be asking to increase your budgets. The secret is not there. The secret is not in a big budget but in small budgets that are coordinated so that their results are great. That's the way," the head of state emphasized.

He said he hoped that, with guidance from the minister of home affairs and the minister of state for women's affairs, the deputy governors will expand the role of women in their respective provinces.

The head of state said he greatly appreciated the function of the Limited Working Conference in strengthening coordination between the Department of Home Affairs and the office of the minister of state for women's affairs. He said the conference would also serve to enhance the institutionalizing of managerial coordination on expanding the role of women in the provinces.

He noted that coordination is essential and very important in every sector and that the ability of a single department to support the budget is small. "With good coordination, however, those small capabilities will bring large results," President Suharto said.

The president also pointed out the great potential of women. According to last year's census, in which the population was found to be 179,321,000, there are 800,000 more women than men.

The head of state also noted that the 1945 Constitution does not differentiate between the responsibilities of men and women to participate in national development. "Therefore, I am confident that if the potential of

women is assembled and deployed they will have a part in making development a success," President Suharto stated.

### To Mexico

The state visit to Mexico, the head of state said, will be used to exchange views in the framework of strengthening mutual understanding and friendship and expanding cooperation between the two nations and states.

"Opportunities for expanding friendly ties and mutually beneficial cooperation between Indonesia and Mexico will remain wide open in the future," he said.

He stated that the two nations and states will also have a big opportunity to work side by side to create world order that is based on freedom, permanent peace, and social justice.

The head of state pointed out that in the current era of expanding globalization, developing countries need to increase their cooperation extensively through specific, organized ways in a number of sectors.

"Indonesia therefore will take active part in the Group of 15 Summit Conference in Caracas, Venezuela, this month," the head of state said.

He said that at the summit conference heads of government of the Group of 15 will exchange ideas, views, and experience. It is hoped that the results will contribute to the creation of a new world order that better guarantees the establishment of justice and equitable international distribution of prosperity.

Secretary-General of the Department of Cooperatives Wagiono Ismangil told the press that the Asia Pacific Conference of Cooperatives Ministers will be attended by 22 ministers responsible for cooperatives in the Asia Pacific region. The conference will also be attended by the ASEAN Cooperatives Organization (ACO), the International Labor Organization (ILO), the UN Food and Agriculture Organization (FAO), and the Afro-Asian Rural Reconstruction Organization (AARRO).

### Alternative to Charity Lottery Urged

92SE0074B Jakarta KOMPAS in Indonesian 14 Oct 91  
p 4

[Unsigned editorial: "Their Homework Now Is To Find Alternative to SDSB Lottery"]

[Text] Since its inception, the Charity Lottery, or SDSB, has provoked controversy. The controversy includes the question whether or not the game is gambling. It also involves the issue of how far the game, so popular with the public, interferes with the lives of people at the weakest level.

The objective of the lottery is to gather funds for a variety of activities of a generally social nature, including

help for developing and conducting sports. Such funds have been successfully gathered and used for social purposes.

The controversy that surrounded the birth of the lottery later subsided, but the controversy has remained latent. In other words, it still exists in the community and becomes manifest from time to time. Recently, it emerged again. The reason for its sudden reappearance was that some religious organizations inadvertently accepted help from the lottery. When they realized the source, they returned the money, for they look on the lottery as a kind of gambling and thus unacceptable.

In response to the renewed manifestation of public reaction, the government asks the community to be patient while an alternative to the SDSB lottery is found.

Coordinating Minister for Politics and Security Sudomo announced this after reporting to President Suharto on matters under the minister's jurisdiction. He said the government hopes for the community's understanding while awaiting a better alternative.

When the controversy over the SDSB lottery surfaced some time ago, the government responded that it would gather data on the extent to which the lottery hurts the community at large. The response is now better: The government is seeking an alternative.

From the government's viewpoint, the question is not a simple one. If it should stop the lottery at once, it would face screams from a number of institutions and activities accustomed to receiving lottery funds.

On the other hand, merely to ignore the community's objections would be unwise, particularly since the objections are based on religious principles and on the livelihood problems of the people.

The problem becomes even more complex when consideration is given to the strong habits of our people for guessing games, raffles, and puzzles. There is a fine line, or an overlap, between such games and gambling.

After weighing all these things, we still lean toward recommending that search be made for an alternative

more acceptable from both the religious aspect and the aspect of livelihood problems of the common people.

In other words, the alternatives referred to by Coordinating Minister Sudomo and earlier by Minister of Social Affairs Haryati Subadio will be their homework. The various groups in society that are involved and have opinions on the matter are in turn asked to contribute their ideas toward the search for an alternative.

The controversy over the SDSB lottery again shows, as often pointed out by government and community leaders, that conducting development in a pluralistic society like Indonesia's is much more difficult than in a homogeneous society.

Our position on this matter is with full understanding of those who are responsible for government and development. Although we have established agreement and consensus on taking steps to move ahead, actually taking the steps is not easy to do.

We must always look left and right, and sometimes to the rear. We must always listen to and accommodate questions and aspirations. If the choice were merely to march in place, it would be easier. We have chosen to move ahead, however, and to encourage and motivate everyone in the pluralistic society that inhabits this vast archipelago.

On the one hand, this means that we listen to, accommodate, and show understanding. On the other hand, we must actually advance, actually take steps forward. This means providing true leadership, which is not a light responsibility by any means.

Therefore, the purpose of all input and viewpoints is to help us to be jointly successful in moving ahead with wisdom. Because of the objective factors inherent in the pluralism of our society, the thrust of development must be not only growth, but equitable distribution as well. Emphasis must not be on the economy alone but must also include other intertwining dimensions of life.

It is also true that stability does not merely happen but is an essential objective. The same is true of dynamics. Our job is to see that the things we have agreed to will function to control and correct, so that justice, including social justice, and the perception of justice can be increasingly manifest.

## POLITICAL

### Writer Laments Lack of Progress

92SE0086A Kuala Lumpur UTUSAN MALAYSIA  
in Malay 12 Nov 91 p 6

[Article by Gamal Nasir Mohd. Ali: "UMNO [United Malays National Organization] Enters New Era"]

[Excerpt] [passage omitted] The commotion over palace interference in administrative matters again became a focus of attention in this General Assembly.

Four resolutions about the palaces (brought by Selangor UMNO [United Malays National Organization]) were presented to the assembly and were accepted unanimously (by all chief ministers).

Last year the "cawat kote" [meaning unknown, reference to the ruler of a particular Malaysian state] palace was the main target of the delegates (after the general election). Now it is the "red and yellow" palace's turn. The "red and yellow" one is very unlucky, especially after being "tamed" by the "red and blue" one.

After discussing the proposed expression of thanks to the president, Selangor Delegate Haji Zainal Abidin Sakom asked the government to form a committee to investigate and disclose all projects, assets, and lands that have been granted to the rulers and their families.

He also asked that the federal and state constitutions be amended so that the ruling party will have absolute power to appoint chief ministers, members of state executive councils, state secretaries, state legal advisers, and state financial officers.

"Since, under the Federal Constitution, the prime minister merely has to inform the paramount ruler (of appointments), we want the chief ministers to have the same power.

"Whether or not they (the rulers) approve will not then be a problem," he declared. He charged that the rulers have been influenced by crooks and Chinese leaders who have their own interests.

The names of rulers and the rulers' family members have been manipulated to get special attention in the issuing of licenses, permits, and government contracts.

Last year's UMNO General Assembly approved a resolution giving full mandate to the Supreme Council (MT) and the president to resolve the problem of palace interference in administration.

The four resolutions passed by this year's General Assembly are clearer and more specific and emphatic.

The resolutions include amending constitutions to prescribe the duties and powers of the rulers under a constitutional monarchy. A full mandate to act was again given to the MT and the party president.

According to a Malay saying, "A just king will be respected; a cruel king will be opposed."

Prime Minister Datuk Seri Dr. Mahathir Mohamad again is forced to explain (to the rulers) that the purpose of UMNO's criticisms is to perpetuate the monarchy. UMNO has no direct intention of making Malaysia a republic.

The prime minister said that rulers and people are inseparable, for many Malay customs revolve around the institutions of the monarchy. The interests of those institutions are also guaranteed in the UMNO constitution by making the perpetuation of the monarchy system one of the main planks in the party platform.

"We offer advice because we are still at the point where we may make criticism.

"However, if the people come in crowds with machetes and hatchets, it is too late for advice. The people carrying machetes and hatchets are the ones who need advice.

"Sometime we are too rough with our language. That's normal in UMNO, for that's UMNO's method. But the important point is that when something is wrong, we are rebuked lest we hurt the rulers, Malays, and the country," Datuk Seri Dr. Mahathir declared.

The UMNO president said that the government has not yet amended the constitution with regard to the powers of the rulers. He was given an unanimous mandate to do that, but interference by the palaces has not reached a level that compels the government to amend the constitution.

There may be one more meeting between the prime minister and the rulers (probably this time attended by the chief ministers, since they are directly involved). The presence of Deputy President Abdul Ghafar Baba may also be needed.

"It is not that the 'mouse is going to try to bell the cat.' There are many who want to speak, but I personally want an audience with the rulers," the prime minister explained.

We hope that this time a more concrete solution can be reached, so that this problem will not be a subject of discussion at future assemblies.

If the problem of interference by the palaces arises again, the resolutions made in the assembly will probably be clearer and more emphatic.

Delegates and party leaders questioned the status of the Attorneys Council as an organization responsible for maintaining justice and rule of law. They were angry because of council actions that hurt the country at home and abroad.

Datuk Seri Dr. Mahathir criticized the Attorneys Council, saying that it claims to respect rule of law, whereas in fact it ignores the law in everything it does.

"Where in the Constitution does it say that the chief justice may be dismissed through procedures that insult the courts?"

"Where in the Constitution are judges permitted to keep quarterly reports to (former) Chief Justice Salleh Abbas from being submitted to the paramount ruler."

"It is actually this group of attorneys, not the government, that is breaking the law. I can be thrown out in an election, but the judges can't. There is no judge who is so good that he cannot be dismissed, but it must be according to law," he declared.

In winding up the discussion in the UMNO General Assembly, Minister of Justice Syed Hamid Jaafar Albar said that the Attorneys Council is hiding behind words about basic rights and theories of government according to law while they criticize the government. The council has lowered the dignity of the country in the eyes of the world.

He said there is nothing wrong with using one's right and freedom to criticize, but the party being criticized also has the same right and freedom to criticize in return.

He said the government is prepared to amend the 1976 Legal Profession Act so that attorneys will have a more responsible attitude toward their jobs instead of doing whatever they want.

He said that the independence of judicial groups will continue to be guaranteed but that does not mean independence without responsibility.

Syed Hamid announced earlier that an independent Attorneys Discipline Board will be formed when the Legal Profession Act is amended.

The flurry of rumors about the creation of an alternative attorneys organization was also discussed.

The prime minister's metaphor of the "three-legged stool" shows how necessary it is for the three branches of government—executive, legislative, and judicial—to cooperate and show mutual respect. If one leg were missing, the government would collapse.

The disagreement between Tun Abdul Hamid Omar and the Attorneys Council must be ended immediately, for it is hurting everyone. Positive efforts in this direction must be made, including rescinding the 1988 Attorneys Council Resolution.

The 1991 UMNO General Assembly, attended by more than 1,500 delegates, also unanimously accepted several amendments to the UMNO constitution, including provisions to permit delegates to reelect the presidents of UMNO youth and women.

The 1993 General Assembly will witness a contest for all top offices, including the offices of president, deputy president, and vice presidents. All kinds of speculations

and "stories" are certain to arise before the campaign begins. Such is the practice of "politics."

The 1991 assembly also saw something new in history with presence of about 220 special observers from 20 UMNO divisions in Sabah. UMNO, which has now spread its wings to Sabah (following the withdrawal of the PBS [Sabah United Party] from the National Front), is entering a new era in its struggle.

The Sabah delegates were given opportunity to speak one by one. In general, they said that Malays and Bumiputra in Sabah welcome the presence of UMNO there.

They asked, however, that the Federal Government and UMNO intensify their information campaigns, since many Sabah residents have been poisoned by PBS's anti-Federal Government propaganda.

Two representatives from the Sabah UMNO Liaison Committee, Mr. Mohd. Kassim Kamidin and Mr. John O.T. Ghani, said that the Sabah people were deceived by the PBS government, which used all kinds of deception to win in the general election and charged that UMNO was trying to "oppress" the people of Sabah.

"We are confident, however, that the presence of UMNO in Sabah is as a savior, just as UMNO saved Malaya from the Malayan Union. UMNO will now save us from the PBS government," said Mr. Kassim, the first Sabah delegate to speak to the UMNO General Assembly.

To mark the entrance of more Bumiputra groups into UMNO, the MT has approved changing the wording of the UMNO song from "we children of Malays" to "we of the Malay family." All peoples in the archipelago region come from one Malay stock.

Delegates to the assembly gave attention to the president's call to UMNO to create a new Malay and Bumiputra community. There was frequent reference to the analogy of the tortoise and the rabbit to compare Malays with non-Malays.

The representative of the Pahang UMNO Liaison Committee, Mr. Shahiruddin Abdul Muin, said that the tortoise is even more unfortunate because, besides competing against the rabbit, three of his feet are tied.

"One foot is tied by the State Economic Development Corporations (SEDC's), one by Chinese leaders (who influence the palaces), and the other by upper class Malays who only think about what they can get.

"The tortoise then is forced to run on one leg. How can he win?"

"Even if we drug the rabbit but do not break the cords that tie the tortoise's feet, we will still not win. Wherever the rabbit may be, he will win," he declared.

The time may have come for us to look at the tortoise-and-rabbit analogy under a new premise.

## ECONOMIC

### Official Says Payments Deficit To Last Awhile

92SE0085C Kuala Lumpur BERITA MINGGU  
in Malay 3 Nov 91 p 4

[Text] Kuala Lumpur—The country's balance of payments deficit is expected to rise to 13.6 billion ringgit next year, compared with 11.8 billion ringgit this year; but conditions are expected to return to normal in 1994 and 1995, said Secretary-General of the Treasury Datuk Mohd. Sheriff Kassim.

He said the deficit was anticipated in the Sixth Malaysia Plan and conditions will begin to improve in 1993. In 1994 and 1995, a surplus balance of payments is expected.

"It is very important to look at the deficit from the right perspective so that we will not be surprised by it," he said yesterday in a panel discussion of the 1992 National Budget held by the Malaysian Economic Association.

Datuk Mohd. Sheriff said the deficit, which is caused by increased imports of middle class and capital goods, must be seen as a healthy development, since it is closely related to the country's economic success and ability to attract foreign investments.

He said the imports will help new industrial growth and will encourage future increases in exports.

"We must also look at the balance of payments situation comprehensively, comparing it year by year, rather than focus merely on the achievements of specific years," he said.

He said the Treasury carefully watches imports of consumer goods to ensure that they are truly necessary.

Datuk Mohd. Sheriff said that imported goods for tourists, such as watches, camera, perfumes, and electrical equipment, are among the items that have recorded high increases and will be continued to encourage tourists to shop while in this country.

He said the best policy for strengthening the balance of payments is to increase the volume of exports rather than limit imports.

To make sure that this will be successful, the government has taken a number of steps to improve the efficiency of domestic manufacturers so that their products will be able to compete on the open market, he said.

He said that the purpose of the government's policy on foreign workers is to stem the flood of unskilled labor into the economy.

Datuk Mohd. Sheriff said the levy being introduced is for ensuring that employers do not take advantage of the foreign worker policy by replacing local workers with cheaper foreign labor.

### Rice Board Fights Fraud, Encourages Production

92SE0085B Kuala Lumpur BERITA MINGGU  
in Malay 3 Nov 91 p 9

[Text] Kepala Batas—The Ministry of Agriculture will direct the National Paddy and Rice Board (LPN) to take firm action against millers and buyers who misappropriate rice price subsidies intended for farmers.

The ministry's parliamentary secretary, Haji Mohd. Shariff Haji Omar, said his ministry will not let this happen, because it could cause losses of millions of ringgit to the government.

He said the LPN, which is responsible for enforcing the law on this matter, must act firmly to ensure that farmers are not defrauded.

He said this yesterday at the Paya Keladi LPN Complex near here in a meeting commemorating the 20th anniversary of the Pulau Pinang branch of the LPN.

Also present at the meeting were Deputy LPN Director Haji Wan Mustaffa Ahmad and more than 900 farmers and representatives of various government offices and agencies.

Haji Mohd. Shariff said the LPN must make sure that price subsidies benefit the farmers and are not misappropriated by millers seeking easy profits.

In this connection, he said the LPN has canceled the licenses of six millers in several states for complicity in activities that hurt farmers.

He asked farmers who no longer work their rice fields to report this to the LPN to prevent fraud and said they should not allow their rice field registries or rice subsidies to be used by other people.

He said that since the time the government raised rice price subsidies by 50 percent it has spent 332 million ringgit for that purpose.

In Pulau Pinang alone, the LPN has spent more than 22 million ringgit on subsidies to farmers as of June this year, he said.

Haji Mohd. Shariff said the government will provide basic facilities at each LPN complex throughout the country in its effort to facilitate administration and rice purchases.

He said that under the government's efforts to reduce imports, it has directed district farmers' organizations (PPK's) to expand farm projects for increasing production.

"I am confident that if the PPK's will help farmers to expand their projects, the government will no longer need to import more than 100,000 metric tons of rice every year from countries like Thailand, Indonesia, and Vietnam," he said.

**Editorial Applauds 1992 Budget**

92SE0085A Kuala Lumpur BERITA HARIAN  
in Malay 2 Nov 91 p 10

[Unsigned editorial: "Budget Builds Economic Resilience of People and State"]

[Text] One thing that may, on the surface, discourage analysts of national economic performance as they evaluate the budget for next year is that the deficit in the balance of payments will be quite high at about 11.8 billion ringgit, an increase of 4.5 billion ringgit. However, if we read it along with the budget strategy presented by Minister of Finance Datuk Seri Anwar Ibrahim in the House of Representatives yesterday, we are certain to draw the conclusion that this is merely a temporary phenomenon. The reason for this conclusion is that the high value of imports mostly represents purchases of capital goods, such as equipment needed to drive the nation's economic machinery to more active growth in the future. Therefore, it is an important strategy to open new markets immediately in countries that are not traditional trading partners, such as countries in Latin America, Africa, and Indochina.

We note that the proposed National Budget for 1991-1992 tries to do two big jobs. The first is to deal with success, while the second is to seek balance and impartiality in the distribution of economic benefits to every level of society. In this connection, the budget also clearly tries to translate the prime minister's concept of 30-year development into pragmatic action, such as through building mental resilience and a strong economy for the people. All of this makes Datuk Seri Anwar Ibrahim's first budget an important document for motivating Malaysians to use their own strength and build the new strength that is much needed to realize the aspirations of the 2020 Plan.

Nevertheless, we see the 1992 Budget as a cautious plan for handling the success achieved since the recession ended about four years ago. The monetary and fiscal policies introduced in recent years have been successful

in stimulating national economic growth at a gratifying rate. We cannot, however, avoid the law that says every success has its price; economic growth is certain to invite speculation and inflation. Therefore, Datuk Seri Anwar's new budget clearly tries to handle this problem by economizing, stimulating savings, and focusing attention on economic growth in an organic way that will make the growth last longer. If such orderly steps are not taken quickly, it is to be feared that the prosperity we now enjoy will not last long. The incentive of reducing construction taxes for the corporate sector will enable foreign investments to meet the needs of the people.

Therefore, we are confident that the proposed facilities and tax reductions to stimulate the use and proliferation of high technology in industry will be very welcome. We are also relieved that no new direct taxes are to be imposed on the people individually, especially among those of low and moderate incomes. In face, we believe that the step to increase the tax rate on cigarettes and liquor is consistent with our lofty national aspirations to build a nation with mental and physical resilience and with a great sense of moral responsibility. This step is being complemented as well with very appropriate programs to strengthen the knowledge climate by special provisions for translations of scientific books.

We also see the sensitivity of the ministers to social justice issues and to continuing the process of building new strength and resilience, beginning with support for the institution of the family in the draft budget. It is interesting to note how much this idealism is represented in the form of pragmatic proposals. By encouraging a climate of knowledge and increasing quality investments in high technology, we are confident that the desired balance can be achieved in an orderly and complete way. What happens after that is the responsibility of the people. We must all respond to the demands of the 1992 budget strategy, as outlined in proposals from the respective ministers, to ensure that our economy continues to develop at the projected rate, while at the same time possessing all necessary elements for long-term development.

### Joint Trade Agreement With Egypt Signed

92AF0142Z London AL-SHARQ AL-AWSAT in Arabic  
1 Nov 91 p 11

[Article: "Equivalent Deal for \$40 Million Between Egypt and Philippines"]

[Text] Cairo, AL-SHARQ AL-AWSAT Bureau—An exchange deal valued at nearly \$40 million was concluded last week in Cairo between Egypt and the Philippines at the end of talks held by a Philippines trade delegation visiting Egypt under the chairmanship of Trade and Industry Secretary Peter Garrucho.

The two-day talks discussed the possibility of developing and enhancing the two countries' economic and trade relations in the coming phase, especially since the trade volume between Egypt and the Philippines did not exceed \$7 million last year.

Egyptian Economy Minister Dr. Yusri Mustafa has stated that it was also agreed to give joint Egyptian-Filipino investments a strong boost, and that it is possible that joint projects with Egyptian-Filipino capital will be set up by businessmen from the two countries. The Filipino delegation familiarized itself with the investment opportunities available in Egypt and with the most important areas, to which the Egyptian Government devotes special attention and in which it encourages investment, such as land reclamation, home construction, tourist projects, and assembly industries.

### Government, Moro To Hold New Round of Talks

92SE0089A Cotabato City MINDANAO CROSS  
in English 20 Nov 91 pp 1, 7

[Text] A new round of negotiations to solve the more than 20 years of Moro insurgency in Southern Philippines, will be launched next year even as a "peace mission" sent last week by the Organization of Islamic Conference (OIC) visited some areas of the Autonomous Region in Muslim Mindanao (ARMM) to look into the developments within the one-year old autonomous government.

Regional Governor Zacaria A. Candao said the dialogue between the national government and the Moro Fronts will be held in Jeddah, Saudi Arabia in January 1992.

Candao in an interview said officials of the autonomous government "are ready anytime to leave from their post," in response to earlier reports that both Moro Islamic Liberation Front (MILF) chairman Salamat Hashim and Moro National Liberation Front (MNLF) chairman Nur Misuari are eyeing for the top position in the autonomous region as a condition to end their secessionist movements.

"Kung ang makakabuti sa ating rehiyon ay ang pagpalit ng liderato, kami naman ay handang magpapalit [If improving our region is a change in leadership, we are prepared to make a change]," Candao stressed.

Candao even offered his position to MNLF chief Nur Misuari when the latter attended the OIC ministerial meeting in Istanbul, Turkey early this year. "Kung sino sa kanila (Salamat and Misuari) ang magnanais na maging Governor ng ARMM, susuportahan natin yan dahil ang ating hinahanap ay kapayapaan [If any of them (Salamat and Misuari) would like to become governor of ARMM, we will support that because what we are looking for is peace]."

OIC assistant secretary general Ibrahim Saleh Bak'r who led the four-man delegation, vowed to help the implementation of the Tripoli Agreement in a peaceful manner and "without prejudicing the integrity and sovereignty of the Republic of the Philippines."

With Bak'r were Dr. Ali Zawawi, OIC director; Abdulmalik Farrash, adviser to the OIC secretary general, and Ahmed Bakhtar, a senior OIC official.

Earlier, the MILF called on the OIC delegation and the Philippine government to implement genuine autonomy in Mindanao, saying this can only be realized through some political negotiation between the government and MILF or MNLF Fronts.

MNLF-Utara Kutawato State Revolutionary Committee chief Muslimin Sema, on the other hand, explained that the impending unification of the Moro Fronts in Southern Philippines will not be a hindrance to any political negotiations as "we have the common aim for the benefit of our people."

Meanwhile, reports from the Middle East said the OIC wanted to start soon the renegotiation between the Philippine government and the Moro Fronts in Mindanao. An official from the OIC said that the negotiation will take place in Jeddah, Saudi Arabia.

The official, however, failed to mention the specific date of the negotiation. He also said the Islamic body lauded the response of the Aquino government to the call for another round of negotiations.

However, a senior official of the OIC revealed the possibility that the renegotiation may not start before the Islamic Summit on 9 December to be held in Senegal.

The same reports added that the main agenda in the renegotiations will prod the government to comply with the 1976 Tripoli Agreement.

It can be recalled that the OIC delegation rebuked the Philippine government for its alleged failure to fully implement the 1976 Tripoli pact forged between the MNLF and former President Ferdinand E. Marcos. It called for, among other things, the creation of an autonomous region composed of several provinces in Mindanao.

Bak'r, however, acknowledged "what has been done so far is to find a just and peaceful solution to the Mindanao issue."

In reaction to the OIC official's claim, Foreign Affairs Undersecretary Pablo Suarez argued the "Philippine government is proceeding on the basis of the provisions of the Constitution in implementing the Tripoli pact."

In another development, Gov. Candao stressed that the four-man OIC delegation headed by Bak'r expressed support to the programs of the ARMM.

The development plan prepared by the autonomous government will be presented by the OIC delegation to its member states.

"OIC as a political organization, Candao said, can give recommendations to member-states to extend help to the ARMM."

## POLITICAL

### Student Leader Profiled

92SE0095A Bangkok *THE NATION* in English  
10 Nov 91 p b2

[Article by Nopporn Wong-anan: "The Return of 'Student Power'"]

[Excerpts] Prinya Thewaneruemitkul was only six years old when the pro-democracy uprising broke out in Thailand on Oct 14, 1973. He could not understand why people were being shot and killed.

Nor could he comprehend three years later the brutal cutting down of university students, who had been considered "heroes" during the events of 1973, for allegedly being communists. [passage omitted]

Today, Prinya, 24, as head of the Students Federation of Thailand (SFT), is trying to revive the aggressiveness and fighting spirit of the past, striving for what many of his "seniors" have died for—democracy.

"I once dreaded to stand before big crowds," he told *THE NATION* in an interview, "but after the February incident I felt I could not escape this responsibility." [passage omitted]

Prinya succeeded Saowanee Chitruen as the leader of the SFT shortly after the military takeover, which saw some student activists arrested.

The SFT, which had supported Gen Chatichai Choonhavan as the first elected prime minister in 12 years and later became a vocal critic of his scandal-plagued government, denounced the coup and demanded a quick return to democracy. [passage omitted]

In one of his first public political statements, Prinya called on the military junta to find a means to allow the people to take part in the drafting of the country's constitution to replace the one torn up by the generals in the coup.

"A truly democratic constitution is possible only through the participation of people from all walks of life—not just a handful of military-appointed experts," he told a press conference on May 2. [passage omitted]

Prinya said his family initially was not very pleased to see him elected SFT leader and become an outspoken critic of the National Peacekeeping Council. His parents did not like the Chatichai government and were gloating over its ouster.

"But my family became disillusioned and gave me full support after Gen Suchinda said his feet were irritated by the student movement," Prinya said.

The student leader believes intelligence agents have been dogging him. "I think they have conducted direct and indirect inquiries about me, both at home and at the university," he said.

There has been no intimidation, however. But Prinya suspected that there has been a systematic attempt by the authorities to discredit the SFT.

The law student of the Thammasat University has repeatedly rebuffed NPKC [National Peace-Keeping Council] warnings that pro-democracy protests must not be held in violation of the law. If the NPKC was so concerned about the law, said Prinya, "it would not have staged a coup in the first place."

The SFT was caught in the full political spotlight on Oct 14 when it turned a ceremony marking the 1973 pro-democracy uprising into the biggest anti-military rally since the February coup. The demonstration, joined by thousands of workers and northeastern villagers, was held in defiance of Suchinda's threat to get tough with "troublemakers."

The demonstrators chanted patriotic songs and mocked the NPKC during a march along Rajdamnoen Road, where hundreds of thousands of people had converged on Oct 14, 1973 to bring down the authoritarian Thanom regime.

The rally took place during the annual meeting of the World Bank/International Monetary Fund being held in Bangkok. Suchinda had planned to clamp a ban on public protests during the conference but dropped the idea after coming under fire from various quarters.

"Threats against demonstrators reflect dictatorial tendencies that refuse to tolerate differences of opinion," Prinya said in response to the military chief's vow to ban public rallies during the World Bank meeting.

Born on Jan 17, 1968, to a well-to-do family in Chach-oengsao, Prinya grew up among rich friends but that soon made him realize the country's serious problem of social disparity.

He began to pay serious attention to the gap between the rich and the poor when he entered Thammasat University's Faculty of Law and joined a rural development programme run by the university.

"I saw farmers borrowing money to buy fertilizer at a five per cent monthly interest rate. But they were sold fake fertilizer and their crops died. Accumulated debts were the sad result," he said.

After returning from the rural development tour, Prinya started what he called "out-of-classroom research." "What I had seen made me understand that there are several problems which those confined to square rooms will never understand," he said.

He became a deputy leader of the Thammasat student union in 1989. At that time, he recalled, political awareness in the university (which had been the hotbed of democratic activism in the 1970s) was "virtually dormant."

"We can't blame fellow students for their political indifference. It's the general environment that makes them overlook their social and political roles," Prinya said.

The young man entered the monkhood for eight months last year, during which time he travelled to many temples around the country and familiarized himself with rural living.

Prinya's father was once elected a provincial councillor in Chachoengsao. But he failed in last year's provincial council election because, according to Prinya, his rivals bribed the voters.

"That was why my parents were so delighted at first when the NPKC stepped in and vowed to eliminate vote buying," he said.

The SFT leader stressed that not only his parents were disillusioned about the NPKC, but the general public was as well.

But he admitted that it was the Feb 23 coup that consolidated the student movement.

"All student organizations in this country are against dictatorship and want democracy," he said.

## ECONOMIC

### IPR, Patent Issues Debate Continues

#### Senior Official Speaks

92SE0067A Bangkok SIAM RAT THURAKIT in Thai  
29 Oct 91 pp 7, 9

[Excerpt] [passage omitted] Mr. Yanyong Phungrat, the deputy director general of the Department of Business Economics, spoke at a seminar about the the copyright law and the promulgation of a copyright protection law. He said that the negotiations on intellectual property, which are being held in Geneva, Switzerland, have still not produced an agreement on certain issues. One such issue is the issue of computer software. At the GATT talks, it was agreed that computer software would be considered to be a type of literary property, which is what the United States wants. In this case, countries will have to protect computer software during the lifetime of the holder of the copyright and for 50 years after that. This will afford protection to the owner of the copyright retroactively.

Thailand does not agree with the arguments of the intellectual property groups. There are other countries, too, such as Brazil, Argentina, China, and South Korea. However, this small group will certainly be able to arrive at a conclusion during the negotiations in November.

Thailand's Royal Decree Committee has placed computer software in the science category. The committee that is revising the copyright law is now considering the time frame for such copyrights. It has been proposed that protection be afforded for 25 years starting from the date of invention. But if a work is considered to belong to another category outside the literary category, protection will be afforded for 50 years counting from when the program is written.

Mr. Yanyong said that with respect to the law used in cases involving copyright infringements, things are now being carried on in two ways. Civil charges may be filed in order to demand compensation for the losses suffered and to prevent the violator from infringing on the copyright again. Or criminal charges may be filed in order to punish the violator and prevent him from engaging in this again. Besides this, it has been proposed that we use articles in the import-export law under the Import-Export Act of the Ministry of Commerce.

Two years ago, the Ministry of Commerce announced that imports and exports would be inspected to determine if they were fake or if trademarks were being violated. If a person suspects that fakes of his goods are being produced, he can file a complaint with the Customs Department and ask that the goods be inspected before they are exported. It has been proposed that the contents of this announcement be expanded to cover copyrights. Initially, this could be used with three types of goods, that is, books, tapes, and movies.

Mr. Yanyong also talked about applying the laws in accord with the Berne Convention. We are considering whether to apply the principle of national treatment, according to which Thailand would have to afford protection to people of other countries in the same way that it does Thais, or the principle of reciprocity, according to which Thailand would have to afford the same protections to other countries as they afford to Thailand. He said that we should use the principle of national treatment, because the laws of each country have different standards. It is impossible to have a law that affords exactly the same protection. The agreement in the Berne Convention states only that every country must provide some protection.

#### Member Chides Patent Law Critics

92SE0067B Bangkok SIAM RAT in Thai 29 Oct 91  
pp 1, 16

[Excerpts] [passage omitted] Mr. Dusit Siriwan, a member of the National Legislative Assembly and the man who proposed the amendment to cut the budget of the Ministry of Public Health by 49.2 million baht, which the ministry has earmarked for private organizations such as the Rural Medical Foundation, the Coordinating Committee for Private Development Organizations for Primary Health Care, the Medical Council, the Student Drug Problem Group, the Rural Medical Foundation, the Rural Medical Association, the Pharmacists Group, community hospitals, the Private Organization

for Democracy, the Pak Mun Dam Coordinating Group, and the Environmental Protection Group for Primary Public Health, was interviewed by reporters at parliament on 28 October. Reporters asked him about the fact that several private organizations have joined together to criticize the cabinet for passing a resolution to submit the patent act to the National Legislative Assembly. He said that these private organizations should reconsider their role and duty. They should see what role they can play that will benefit society as a whole in accord with the country's situation. [passage omitted].

Mr. Dusit said that this can be seen from any number of examples, particularly the cabinet's approval of the draft patent act, which will soon be submitted to the assembly for consideration. Those concerned, that is, cabinet members, members of the National Legislative Assembly, and senior civil servants, are responsible for Thailand's reputation in world society. The fact that Thailand is developing and becoming an industrialized country involves many factors, particularly the acceptance and adherence to the rules of international society just like other civilized countries. This is a very delicate matter that concerns the prestige of Thais and Thailand as a whole. The cabinet, as the government, must attach great importance to this.

As for the next point, everyone concerned with the draft patent act must carefully consider how this will benefit Thailand overall in view of the fact that Thailand is a member of world society. We can't think only about the immediate interests of certain groups, because that would be harmful in the long term.

Mr. Dusit said that with respect to the opposition to this, there are several points that need to be considered:

1. Some of these private organizations have received support funds from the national budget, that is, the 49.2 million baht allocated by the Ministry of Public Health. Thus, people are wondering if these organizations are being honest in view of the fact that they seem to be using this money to oppose the government's policy.
2. The data used to oppose or criticize the patent act are very one-sided. They focus on immediate interests only. And it isn't certain whether their proposals would be beneficial or not. These people haven't shown any respect for the rules and regulations of international society.
3. Almost all of the data presented by these opposition groups are wrong. This could cause confusion among people in general.
4. The expenditures by some of these private organizations are rather "murky." They haven't been able to explain things even when asked by the Legislative Assembly.

In conclusion, Mr. Dusit said that concerning the fact that certain private organizations have criticized the government for submitting the draft patent act, those

who are government officials should reevaluate their role and standpoint to see if what they are doing is right and if it will benefit the country.

### Overprotection of Patent Law

92SE0067C Bangkok MATICHON in Thai 5 Nov 91  
p 9

[Article by Suthi Prasatset]

[Text] On 22 October, the cabinet issued a resolution approving in principle the revision of the patent act. This will be submitted to the National Legislative Assembly in the near future. This revision of the patent act, particularly those sections concerning drug products, has been widely opposed by many groups, including the Medical Council, the Public Health Development Organization, students, academics, and some elements of the mass media. Here, I will not mention the various objections (see MATICHON, 3, 7, and 8 October). What I want to discuss today stems from an interview given by the prime minister, who said that "this act has been drafted in order to bring Thailand's law up to date with those throughout the world in accord with the level of invention or technological development." (MATICHON, 23 October 1991)

Those who read this probably thought that it was necessary to revise the patent act in order to bring Thailand's law up to date. Our present law is unlike those of other countries and so we must revise ours in line with theirs.

The question that arises is, Is it really necessary for us to follow them if it can be said that a patent act is a law that each country enacts in accord with its interests and national development needs? The important thing is that the patent law that the super powers want Thailand to enact is one that will be in accord with the interests of the multinational corporations of those countries rather than the interests of the Thai people.

What did he mean when he said that we must revise the act so that "it is in accord with the level of invention or technological development?" Isn't the present patent law in accord with the level of technological development? Or has Thailand undergone such technological development that it is already a developed country, making it necessary to revise our patent law so that it is in accord with the laws of those countries that have a high level of scientific and technological development?

I think that the views of the prime minister, Mr. Anan Panyanchun, are wrong and want to discuss various points here.

What did he mean when he said that a patent law suitable for Thailand must be in accord with the country's level of technological development? In my view, a suitable and fair patent law must be one that is in accord with the country's level of economic and technological

development. This must be a system that recognizes the country's needs and recognizes what is suitable for the country.

In promulgating a patent law to benefit the country as much as possible, attention must be given to the fact that the country's level of economic development is different from its level of technological development. After taking this fact into consideration, a suitable patent law can be formulated.

In considering this, we must determine which of the two following groups Thailand is in:

A. There are the developed countries that have economic power and a high level of technological development. They can invent important new things (pioneering inventions). At the same time, these countries are fully capable of producing things based on existing models. These countries can invent large numbers of goods, processes, and models and so they hold a large number of patents, which they can sell. Or they can sell large amounts of technology. On the other hand, they buy patent rights and large amounts of technology.

In such a situation, the patent law that will benefit the countries in this group is one that will control things firmly (strong law), with very few items on the exclusion list. Countries in this group include the United States, the West European countries, and Japan.

B. As for those countries that are or soon will be newly industrialized, their level of technological development has risen to a certain level. They are capable of quickly following up on new inventions and can modify inventions or production processes in accord with local conditions. The technology of the countries in this group can be called follow-on inventions or derivative inventions. These countries purchase a large number of patent rights. They do not own very many important patents and do not sell many patent rights.

In the case of countries with an average or low level of technological development, a suitable patent law that will benefit national development over the long term must be one that affords a high degree of protection. But it does not have to protect every product, because unlike the developed countries, we do not have that many patents to sell.

Thus, the patent laws of the countries in this group must contain a rather large number of items on the exclusion list, such as in the case of Article 9 of the Patent Act, which is now being revised. Besides this, the length of time that protection is afforded should not be too long. Some items should be afforded protection for only seven years. And there should be strict conditions to protect consumers.

What needs to be stressed here is that at the end of the 19th Century and the beginning of the 20th Century, the developed countries promulgated patent laws that did not afford protection to products that they thought

would benefit the technological development of the country. By promulgating such laws, they prevented the patent holders from gaining an advantage over the producers and consumers. The promulgation of such laws was a key factor that enabled the United States, Japan, Italy, and other countries to become the technological leaders of today.

Thailand is definitely in this second group. This is clear from the fact that we sell little technology. Instead, we buy much technology. Thus, we should not have a strong patent law, and patent administration should not be very strict. This will protect our national interests. Strong protection will benefit just the multinational corporations of the countries in the first group.

We should not be tricked by the flattery of those who say that Thailand is highly developed and should have a strong patent law. Such a law is suited to and in accord with the interest of developed countries such as the United States. Actually, the developed countries are trying to persuade us that we need a "modern and universal" patent law, the contents of which will fit their needs.

However, looking at Thailand's present patent law, it can be said that this already provides rather strong protection. Actually, it affords protection for almost all inventions. But this law does contain an exclusion list and excludes such items as food, drinks, drugs or drug compounds, machinery used directly in agriculture, animals, crops, and biological processes (Article 9 of the 1979 Patent Act). If the government wants to modernize this law in keeping with world trends in protecting the environment, all it has to do is add the phrase "processes or inventions that prevent or eliminate pollution and that help keep the environment clean" to the exclusion list in Article 9. From the above analysis, it can be seen that as a developing country, Thailand, which still has a low level of technological development, which purchases much technology, and which sells little technology, does not need to have a strong patent law. Such laws are suitable only for countries with a very high level of technological development.

Revising the patent act in order to afford increased protection as discussed here is not in accord with protecting the interests of our country and people. That will just serve the interests of foreign multinational corporations.

### Specialists Oppose Patent Law

92SE0076A Bangkok MATICHON in Thai 15 Nov 91  
pp 1, 2

[Excerpt] The [Ministry of] Public Health collided with [the Ministry of] Trade in the assembly. It proposed to extend the term of the present patent law for four more years. The other side wanted just 180 days. The director of the Chulalongkorn University Legal Research Center attacked "Amaret" and presented a letter to the assembly asking it to consider the matter carefully, to

open hearings on the views of the Ministry of Public Health, and not to pass it in three sessions.

Mr. Surakiat Sathianthai, the director of the Center for Legal Research and Development of the Law Faculty of Chulalongkorn University told MATICHON that on 14 November when Mr. Amaret Sila-on, the minister of commerce, spoke to the national assembly about amending the patent law, he said that the Ministry of Commerce had hired the Center for Legal Research to do research on the two patent systems. This was to provide data useful in drafting this law. The center actually was hired to do research to provide a basis for drafting laws and policy concerning patents for medicine. But the law drafted was not in accord with all the research results, and many important research results were not included in the law. For example there was the measure to attract technology more effectively which allowed patents to last 15 years as in the past and the maintaining of section 77 of the patent law of 1979 which allowed anyone to import a product which had been patented until the person holding the patent imported the product or produced it within the kingdom. And a system was to be set up to control the price of medicine inasmuch as the commission for controlling medical costs was not effective.

Mr. Surakiat said that he did not feel there should be any change in the patent law for medicine because the present law had many good features and was drafted according to the example set by the world organization for intellectual property rights except in the case of biological engineering. "According to the explanation of the Ministry of Commerce, since industry now uses advanced technology such as computer software and biological engineering, it is necessary to take care of the problem of patents for medicine without regard for other factors including whether, as it was said, Thai products such as plastic takraw balls or tiger-skin clothing had been imitated".

In any case the director of the Center for Legal Research said that while it was necessary to solve the problem, a way needed to be found to prevent ill effects and keep any repercussions on the people and the poor as small as possible. The statement of the Ministry of Commerce that their solution would have little effect and this effect would not be immediately felt was not correct. One should not consider how many new types of medicine were produced each year but the quantity of the various types that were needed such as for the liver flukes from which millions of people in the northeast suffered or the AIDS vaccine which might be produced in the future.

"Comparing the prices of medicine in various countries which have patent laws with Thailand is impossible because the production structures, the economic structures and the market structures are different. What one should do is to compare the price of medicine in the same country before patents and after", Mr. Surakiat said.

Dr. Wichai Chokhwiwatna, the secretary general of the medical association, said that the old law was fine because it provided the flexibility appropriate for Thailand's technological level—if the government wanted to correct this problem, it should wait until after the Uruguay round of GATT talks.

"If the government wanted to give patents to provide protection, it could issue decrees. It would not need to change its principles entirely. Now Thailand is being pressured as it was in the time of Rama the 4th and Rama the 5th, who were threatened by gunboats, but now the United States is using its trade laws and Provision 301 to threaten Thailand", Dr. Wichai said. He also said that the claim of the Ministry of Commerce that this change would not make medicine more expensive was not true. He did not believe that the Ministry of Commerce could control the price of medicine because the market for medicine was very complex and the ministry did not have the knowledge to control it. The government and the ministry were not even able to control the prices of ordinary consumer goods. As for the temporary measure to be in effect for the 180 days before the patent law took effect, this was deceptive with regard to the time period because this government would end this period early and there would be no such result if the patent law for medicine were accepted.

The same day that the national assembly [met], Mr. Phongthra Phokphoemdi, general secretary for the Medical Students of Thailand, came to present a letter to Mr. Phaisit Phiphatnakun, clerk of the assembly, which objected to changing the patent law. Mr. Phongthra said that if the assembly passed this new draft of the law, it would increase costs for the people, the cost of health care would rise, and there would be a shortage of medicine which would create a problem in the allocation of medicine. A good solution for Thailand would be to wait for an international resolution before changing the law and not to change the law because of U.S. pressure. There should be preparations to make changes so that [the old law] remained in force for at least four more years.

He brought a resolution from 1,023 medical students from every institution in the country and gave it to Mr. Phaisit to present to the MP's [Member's of Parliament]. This document stated that 95.2 percent of the medical students did not agree with changing the patent law, 91.1 percent felt that the change should be made after there was an international resolution, 86.31 percent felt that there should be a period of four years to prepare for the change, 88.56 percent felt that if the new draft were passed the people would have to pay more for health care, and 56.89 percent felt that the new draft would cause a shortage of medicine.

(MR) [Royal Title] Pridiyat Thewakun, a deputy minister of commerce, denied the criticism that there had been a conspiracy with regard to patents for medicine. He said that the work on patents for medicine had been

completely open. The committee had had representatives from the Ministry of Public Health, and these representatives had met with the committee more than he had. He did not know what else to do; he had done all he could.

A correspondent reported from the Ministry of Public Health that on the same day Dr. Uthai Sutsuk, an undersecretary for public health, held an urgent conference about the draft of the patent law with Dr. Niwat Thepmani, the deputy secretary general of the Food and Drug Administration, Miss Chawani Thonglot, a technical expert in the Food and Drug Administration and six other people. The conference lasted more than two hours.

A report from the Ministry of Commerce stated that in the meeting of the assembly on 15 November the draft of the patent law would be considered, and the Ministry of Commerce would recommend that a special commission be set up to consider the problem. It would have 19 members, and the Ministry of Commerce would name nine members including Mr. Phachon Itsarasena Na Ayuthaya, an undersecretary for commerce, Mr. Chatchai Saphaphonsiri, Mr. Watana Ratnawichit, Mr. Suchinda Yongsunthon, and Mr. Chawalit Atthasat. There was also a report that the coordinating committee for the assembly or "whip" might recommend that [the draft] be passed in three sessions to eliminate the problem of opposition.

A high-level source in the Ministry of Public Health told MATICHON that in a meeting between an undersecretary for public health and those involved with this problem, information was prepared to respond to questions in the assembly concerning the draft of the patent law. This ministry would maintain its former recommendation to extend the term of the present patent law for four years. The Ministry of Commerce recommended that it be extended only 180 days and in addition that the scope of section 55 [fourth paragraph] be increased concerning the powers of the committee for medicine patents. Prior to this it could only make recommendations; this would give it the power to control the price of medicine. But it was not given the power to penalize and was not provided with workers and officials to regulate. [passage omitted]

#### **Gas Purchase Planned by Electricity Authority**

92SE0096A Bangkok *THE NATION* in English  
13 Nov 91 p b3

[Article by Pichaya Changsorn]

[Text] The Electricity Generating Authority of Thailand (Egat) has said it will buy Burma-supplied natural gas from the Petroleum Authority of Thailand (PTT), despite the attendant uncertainties.

Egat sources said the planned pipeline is likely to traverse a territory inhabited by the Karen, a minority group seeking independence from the Burmese military government.

The political fragility among Burmese ethnic groups has caused grave uncertainties about the supply of natural gas, they said.

Sources added that PTT plans to explore and produce natural gas in Burma's Gulf of Martaban, and deliver supplies to Thailand via the Three Pagoda Pass in the western province of Kanchanaburi.

Egat has agreed in principle to purchase the gas, and build a gas-fired power plant in Kanchanaburi if supplies can be delivered according to plan, sources said.

The 500-kilometre pipeline running through Karen-inhabited territory faces the risk of sabotage, however, the sources said.

Egat, according to sources, wanted assurance that gas supplies will be protected and continuous. A gas-fired combined cycle generator—such as the one envisaged at Kanchanaburi—cannot operate at optimal cost if the fuel supply is interrupted and, although it can switch to diesel, the generation costs will skyrocket.

Egat has proposed an option on the supply route, sources said. The PTT, instead of laying a direct pipeline from the Gulf of Martaban to Kanchanaburi, as planned, should re-route it so that the supply is unloaded at Chumporn or Ranong in the upper south of Thailand.

Sources said security in Burma around that area is much under central governmental control.

Under this option, the PTT will have to invest substantially more in the pipeline, entailing a higher gas supply price to Egat, according to sources.

In that event, Egat will have to invest more in transmission lines and equipment, because a power plant sited where demand is low will need to transmit it to where demand is higher, they added.

The PTT and its exploration arm have proposed to the Burmese government to undertake the US\$1-billion project in the Gulf of Martaban. According to sources, the project was approved in principle by Rangoon.

Egat has suggested inviting a group of third party foreign investors to strengthen PTT's position in the deal. Third party investment can ensure that PTT is not susceptible to unilateral decisions on the part of Burma.

Egat sources felt the state petroleum firm was at a disadvantage because it has to bear all downstream investment and be the sole buyer, although both sides—Burma and Thailand—would invest equally in the gas pipeline.

"In this situation, a buyer and a seller confront each other face to face. As a buyer we have more obligations to fulfil; we have to undertake downstream investment in the power plant. We have much less bargaining power in case the supply is not delivered," a source commented.

Last week, Paopat Javanalikhorn, Egat governor, Luen Krisnakri, PTT governor, and Viset Jupibal, acting president of the PTT Exploration and Production Co. met at the Industry Ministry to discuss the Egat proposal.

The meeting was chaired by Sivavong Changkasiri, permanent secretary of the ministry.

**POLITICAL****Ambassador Ngo Dien on Relations With Cambodia***922E0044A Ho Chi Minh City TUOI TRE in Vietnamese 24 Oct 91 p 8*

[Article by Khac Xuyen and Ngoc Tran: "In an Interview With TUOI TRE, Vietnamese Envoy to Cambodia Ngo Dien Says: 'Let Us Step Up Economic Cooperation To Build Long-Lasting Vietnamese-Cambodian Relations'"]

[Text] During a working visit to Phnom Penh, TUOI TRE special correspondents had the opportunity to meet and exchange views with Ngo Dien, Vietnamese ambassador to Cambodia.

Following is an excerpt from that exchange:

[TUOI TRE] Mr. Ambassador, please tell us about Vietnam's assessment of the peace agreement on Cambodia.

[Ngo Dien] Vietnam advocates a settlement of the Cambodian issue by the Cambodians themselves, respect for Cambodia's sovereignty by outsiders, and the United Nations' principal role being to supervise and control the implementation of the agreement.

In resolving the Cambodian issue and arriving at a solution, the Vietnamese side has shown its goodwill by withdrawing its troops, contributing to the search for a solution, and showing respect for the Cambodians' decision.

Vietnam respects the agreement signed by the Cambodian sides. No matter who is going to hold power in Cambodia, he will have to pursue a policy of friendly neighborliness. Either that or Cambodia will be a neutral country that will not hinder Vietnam's strategy of peace and friendship.

It is necessary to clearly realize what Vietnam has done to help this neighbor country: It saved the Cambodian people from genocide, assisted them in rebuilding their lives and their fortunes. These are achievements in which we can take pride and which will leave their marks and have an impact on the future relations between the two countries.

Let us ask whether there are any Cambodian families that have not lost any of their loved ones under the genocidal regime?

[TUOI TRE] What will Vietnamese-Cambodian relations be like in the near future, after the agreement is signed?

[Ngo Dien] The administration will remain the same in the period of transition. There will be the additional presence of Prince Sihanouk and the SNC [Supreme National Council].

The Vietnamese ambassador can present his credentials to Prince Sihanouk until Cambodia forms a new government.

We must build lasting friendly relations on the basis of economy and mutual benefit. The two countries have river ways and seaways that are very closely linked together.

Cambodian-Vietnamese economic relations have been fairly close and beneficial to both sides for a long time. Very large amounts of Vietnamese goods have been sent as far as Poipet for importation into Thailand. They include cloth, garments, pottery, Thanh Le-made lacquerware, Dap Cau glass, and so forth.... One by one, boatfuls of these products are sent by private individuals up the Mekong River to here. Then, there are oranges, tangerines, durians, pots and pans, dishes, sundry goods, you name it. Conversely, goods also enter Vietnam from Cambodia in fairly large quantities.

In the future, Cambodia still remains a market for Vietnamese goods. With peace restored, the two sides can expand their bilateral exchanges of goods and trading activities. As Ho Chi Minh City has a fairly developed consumer goods industry, I think that there is a lot of things it can do here; it must invest here as well.

[TUOI TRE] And what about the problem of Vietnamese nationals residing and earning their living in Cambodia?

[Ngo Dien] What problem can there be when these Vietnamese earn their living honestly, maintain good relations with the local people, and know how to organize themselves, stay united, and help one another?

At present, houses are being repaired or built everywhere in Phnom Penh. The majority of construction workers force are Vietnamese. They have even repaired the SNC headquarters and the royal palace.

**Reportage on Ho Chi Minh City Party Congress****Contributions Discussed***922E0045A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 8 Oct 91 pp 1, 2*

[Article by P.V.: "Contributing Opinions to the Draft Documents of the Second-Round Congress of Ho Chi Minh City's Party Organization: Frank and Constructive Suggestions Imbued With a High Sense of Responsibility Toward the Party and People"]

[Text] By 2 October 1991, more than one half month after the draft documents of the fifth congress of Ho Chi Minh City's party organization (round 2) were made public to solicit the opinions of party organizations and the masses, the city's party committee had received reports summing up suggestions from 64 of the 79 precinct, district, and above-basic-level party organizations. It had also received eight suggestion lists from

various mass organizations, veteran revolutionary cadres, and a number of other individual party members and cadres. Although the draft documents were sent to the grass roots for discussion for only slightly over half a month, cadres, party members, and the masses in various organizations have studied them and contributed many straightforward, constructive, and incisive opinions that showed a high sense of responsibility toward the party and people.

The majority of opinions judged that the draft documents were painstakingly written, that they succeeded in making a comprehensive and correct general appraisal of the city's real situation, and that their issue-raising methods, their structure, and their length were rational. However, some opinions suggested that the political report make a deeper analysis of phenomena, point out their subjective causes, and determine the responsibility of the leadership and of responsible individual comrades in the party and the administration for a number of recent misdeeds causing financial losses. The political report should also determine more clearly the city's socioeconomic orientation, tasks, and objectives for the next five years against the background of a highly complicated political situation in order to enable the masses, cadres, and party members to realize the prospect of escaping from the current crisis and advancing the economy and society along the line of socialist orientation. Other opinions, though not in the majority, maintained that the political report was shallow and formalist and lacked fire in its analysis and seemed detached from the major changes at home and abroad. These opinions also severely criticized the leadership and guidance of the city's party committee over state and urban managerial work, over the struggle against smuggling and corruption, and over cadre organization. However, despite their acrimony, these opinions also had a constructive character in that they wished to see the city's party organization elevated to match the stature of a central city.

### Socioeconomic Renovation

After five years of implementing the renovation process in accordance with the sixth party congress resolution, our city has scored a number of definite achievements in the political and socioeconomic fields.

Although there remained some discordant views, most of the opinions of cadres, party members, and the masses were in agreement with the draft documents' appraisal that some definite achievements have been recorded. However, in the process of carrying out the renovation undertaking, the city has shown some shortcomings and weaknesses in guidance and management that have limited its general achievements. Many opinions held that despite the considerable amount of capital invested in industry (38.4 percent of the city's budget), results have been poor; that technology has not been renewed; that key economic sectors have not been determined; and that due attention has not been paid to developing the industries producing means of production, especially

machinery for agriculture, forestry, and fishery, thus restricting the city's central role. In regard to agriculture and the countryside, the opinions contributed maintained that the city's investment in this field was still small (2.8 percent of its budget) and that it has not paid due attention to and adopted a correct policy on promoting agriculture. The industrial, financial, banking, and scientific and technical sectors have not served agriculture well. In external economic relations, the inordinately large number of direct-export centers has caused disorder and made exports uncontrollable, while imports have only benefited foreign traders, external economic activities have yielded negligible results, and foreign currency has been squandered. The tourist industry has received substantial investment but has achieved low efficiency. Many import-export corporations have allowed themselves to be manipulated by private individuals, thus causing financial losses and incurring heavy foreign debts. Did this mean that the city has loosened its guidance and lacked orientation in external economic activities? Proceeding from this contention, some opinions suggested that our city's achievements in external economic relations be reevaluated as having not made important contributions to the local economic development as noted in the draft political report. On the contrary, there were also opinions contending that if there was disorder in the import-export sector, it must be reorganized, but it was not correct to deny the contributions by the external economic relations to the city's socioeconomic development. Concerning commercial activities, some opinions asserted that although our city is a center for goods circulation and a vibrant market, the state-operated trade sector and service industry and cooperatives have declined and have been operating at a loss. Meanwhile, the 1985-1990 statistics showed that the city's investment pattern tended to shift from production to entertainment business. Regarding the financial and banking sector, there also were two conflicting views. One opinion held that the banks' achievements in resolving the problem of credit organs bankruptcy and in contributing capital to production establishments must be acknowledged. However, the opposite view contended that the banks have still impeded the development of the multisector commodity economy, that they have remained slow in shifting their operations in accordance with the new mechanism, that the scope of their business was still narrow, and that they have continued to be passive and evasive in fulfilling their responsibility for controlling the economy, forecasting, and advising the city's leadership on economic management. Regarding the city's social policies, some opinions suggested that it was necessary to clarify the basis of the contention that 200,000 laborers have been provided with jobs over the past five years. Social evils (prostitution, robbery) have remained very serious, but this problem, and especially the measures to resolve it, have not been adequately raised in the draft political report. In regard to the policy of selling class-1 and class-2 houses and villas at official prices, some opinions maintained that this policy was

correct but there have been shortcomings in the organization of its implementation. Many opinions also asserted that the policy has been wrong from the beginning and that its implementation was marred by numerous shortcomings and much negativism, thereby exerting a bad influence in the political field. Health protection should have been dealt with together with the subjects of public health service, sports, and physical education, with a clear statement that the chief shortcomings in this work have been that communal health care has been belittled, that specialized medical services have been overemphasized, that hospital fee collection has been neglected, and that a policy of providing treatment for poor people when they come to hospitals or emergency rooms is still lacking. Concerning culture and the arts and letters, the overwhelming majority of opinions maintained that the assessment of culture and the arts and letters was generally acceptable. Some views contended that the assessment was somewhat heavy-handed. There were also the opinions that negativism on the cultural and artistic front in our city has reached a serious level and has even exceeded the "red alert level." Many opinions suggested that the Propaganda and Training Department, the Arts and Letters Department, and the Cultural and Information Service of the city review their responsibility for leading and managing cultural, literary and artistic activities. The responsibility of the Cultural and Information Service director for the making of the motion picture "Love of the Vietnamese Singing" must be made clear. They also suggested that the city adopt a policy to provide adequate financial assistance for cultural, literary and artistic activities, especially for the contingent of creative workers. The majority of opinions concerned themselves with contributing ideas about the leadership of the city's party committee over the press and publishing service. They contended that a number of mass organizations' publications have not fulfilled the functions assigned by their organizations. It was correct to uphold democracy and openness, but they must follow the established orientation and be aimed at an objective. A number of newspapers have remained authoritarian and have acted in contravention of the law. Some opinions among the press circles held that the political report's appraisal of the mass media unduly emphasized their shortcomings; they also disapproved of the way the city's party committee admitted its shortcomings as having "loosened leadership over the press." Exercising leadership over the press should not drive the contingent of journalists into passivity. The mass media were instructed to struggle against negativism, but the city's party committee and People's Committee have failed to promptly and sternly deal with cases of negative practices uncovered by the press. Regarding education and training, the suggestions focused mostly on analyzing the causes of the degradation of education and stressing the leading role of the city's party committee and the managerial responsibility of the city's people committee and education and training service. Many opinions asserted that it was necessary to make an early and definite

review and assessment of education reforms and experimental education in order to choose a single educational method and that it was not advisable to apply two educational programs simultaneously as it has already been done for 10 years. The draft political report's evaluation of the activities of social sciences was too superficial and failed to realize the important position and effect of this branch of science. Regarding security and national defense, some opinions suggested that an evaluation of fire prevention and fighting, population and household management, traffic control, and roadway and roadside management be added to the draft political report. The draft political report's appraisal that the wrongdoings and negativism in the public security service were "worrisome" was inadequate. Its assessment that the "wrongdoings of Army organizations engaged in economic building have caused worries among the people" was not truly accurate, and it was suggested that this appraisal be reworded to read "these misdeeds have caused bad publicity and affected the traditions of the Armed Forces." In regard to renovating the state's activities, the draft political report stated: "State managerial work has made important contributions to meeting the requirement of renovating the management mechanism and implementing democratization." The opinions contributed held that this evaluation was not realistic because not much has been renovated in the state's managerial work. The shortcomings of the state's managerial work were not caused by a "lack of concern and careful consideration..." as stated by the draft political report but by the fact that a segment of the contingent of state managing cadres was incapable of meeting the managerial and administrative requirements of a society moving toward a market economy. This weakness was manifest in two respects: quality and capability. The opinions contributed suggested that the following remarks be added to the portion evaluating the stated activities in the draft political report: Some policies of the People's Council have not been scrupulously implemented by the People's Committee, such as the policy on teachers' salary. The streamlining of staff and the reorganization of the managerial apparatus have not been done in conjunction with inspection work, thus allowing some cases of unprincipled staff reduction to occur in which good, honest, and capable people were retired. The termination-of-service and retirement policies and procedures have not been fully implemented. Law enforcement and adjudicative work have not been seriously carried out. At present, the evil of corruption within the state machinery has become very sophisticated, but corruption suppression work has not yielded much result. Cases of corruption already exposed have not been expeditiously and sternly dealt with.

Concerning the front and mass mobilization work, the draft political report was still simplistic in its assessment of the mood of the people of various strata. In fact, the masses were not uneasy about but indignant at the negative practices in society, the special privileges and prerogatives and the corruption of a segment of party cadres and members and state officials. If these dangers

are not eradicated, they will lead to instability. The city's party committee and grass-roots party committee echelons have not really devoted themselves to mass mobilization work and the mass organizations' activities. The mass organizations' activities have degraded in a disturbing fashion not only at the grass roots but also at higher levels. The city-level youth union has pursued only formalistic activities and has paid scant attention to in-depth activities at the grass roots. Cadres of the mass organizations (with the exception of the Women's Union) have rarely stayed close to the grass roots. Some opinions suggested that in devising the forms or organization used to rally the masses, we should pay attention to setting up organizations in accordance with different fields of activities, professions, and people's liking and interests. There should be trade union organizations in nongovernmental economic bodies and joint ventures. The city's party committee should compile a document on the contents of mass mobilization work for various localities to use as the basis in carrying out this task. It was suggested that the city's party committee make an assessment of the four movements (the movements against corruption, against smuggling, against causing trouble to the public, and against waste and for thriftiness).

#### **Socioeconomic Development in the Next Five Years Along Socialist Orientation**

A correct assessment and forecast of the situation in the coming years are the basis for determining the orientation and objectives of socioeconomic development in the next five years. Concerning this part of the draft political report, the opinions contributed suggested that the report make a fuller analysis of the disadvantages so as not to create illusions and to warn and encourage the masses to strive to overcome the difficulties and steadfastly defend the socialist regime. In the part expounding the city's potentials, the political report should add an analysis of the city's position as a regional center. This is a question to which many opinions have been contributed. The majority of these opinions suggested that the political report must analyze and clarify the viewpoint that only by asserting its role as a financial and monetary center on the basis of its indispensable economic, scientific, technical, and technological relations with other localities in the region would the city be able to fulfill its tasks as a regional economic center. It would be unrealistic to wait for a central organization to be set up to coordinate the city's activities with those of other localities. Moreover, under the market mechanism, the city's relations with other localities must be based on economic interests and governed by economic laws.

In regard to the targets of socioeconomic development, all opinions were generally in agreement with them, but they held that the political report has failed to clearly expound the key measures aimed at bringing about changes. It was suggested that the report present a number of principal solutions more distinctly and bring into relief the tasks to be carried out during the next five years, and that these tasks should not be lumped together

with other duties as they were in the current draft report. The draft political report should also clarify the close relationship between political stability and socioeconomic stability, with economic stability being the basic factor and political stability the decisive condition for economic stabilization and development. A very large number of opinions stressed two pressing key socioeconomic issues, namely employment and wages. Regarding the orientation and objective of developing some economic, cultural, and social sectors, many opinions made concrete contributions such as their suggestions that various forms of state capitalism be quickly developed and that the transfer of technology from capitalist countries be secured in order to attract capital and expand the domestic and foreign markets. Attention must be paid to education and training and to raising the people's cultural standard to enable them to receive and apply new scientific and technological processes. Investment should be concentrated on the transformation and upgrading of the infrastructure. It was suggested that processing industry and the manufacturing—by using modern techniques—of export goods under contract for foreign countries be determined as the key and priority industrial sectors. The city should concentrate on developing heavy industry, especially the industries that serve agriculture in the Nam Bo delta. Concerning trade, the way out for the city was to expand the domestic and overseas markets. The city should associate itself with various provinces in the Nam Bo Region to make requisition-purchases, to sell products, and to supply materials in order to stimulate production and to create a market with strong purchasing power in the countryside for the city's industrial products. In regard to education, the concept that education is a national policy has not been clearly reflected in the orientation of the education sector for the next five years. There should be adequate investment in education and the resolution of the city's party organization congress should clearly spell out the percentage of the budget to be invested in education.

#### **Winning Back Public Trust by Reorganizing the Party**

This is an issue to which many opinions have been contributed in the hope of making the party pure and strong so that it may regain the masses' trust. The common opinions were not satisfied with the chapter dealing with party building in the draft political report because it was considered as both too general and cursory. The opinions contributed to the orientation and tasks of party building in the period ahead maintained that effort should be concentrated on the main important points, namely the struggle against corruption and negativism, the consolidation of party bases, and the need to pay attention to building up political forces. It was suggested that after the second-round party organization congress, effort be focused on consolidating basic party organizations and determining the content and methods of activity for each form of basic party organization. Through the study of the seventh party congress resolution and through the realities in the city that have

been reviewed, the political standards and mettle of the contingent of party cadres and members must be raised and their leadership enhanced.

### Ideas Reviewed

922E0037A Ho Chi Minh City TUOI TRE  
in Vietnamese 17 Oct 91 pp 1, 5

[Article by Thu An: "Suggestions to the Documents of the Second-Round Congress of Ho Chi Minh City's Party Organization: The City's Party Committee Has Not Really Shown Concern for Mass Mobilization Work"]

[Text] Recently, in the various drives to make suggestions to the draft documents of the Second-Round Congress of Ho Chi Minh City's party organization, many cadres and party members frankly and enthusiastically contributed their opinions with a high sense of responsibility and constructiveness. We would like to briefly cite some of the suggestions centered on the fields of economy, administrative work, mass mobilization, party building....

In regard to economy, the absolute majority of opinions held that we have recorded some definite achievements (as stated in the draft documents). A few opinions contended that during its last term of office the city's party committee has failed in guiding the implementation of the economic strategy in the Ho Chi Minh City because the city's economy has not proved to be definitely superior to that of other localities, the economic growth rate has been slow in comparison with the targets set by the sixth congress of the city's party organization, there have been massive bankruptcies of credit organs, the infrastructure has degraded, there have been shortfalls in tax collection, smuggling has become widespread and uncontrollable...

Concerning industrial, small industrial, and handicraft production, a very large number of opinions maintained that although a large amount of capital has been invested in industry, results have been limited; that techniques have not been renovated; that the economic structure and key economic sectors have not been clearly determined, thus affecting the investment pattern....Some opinions held that the city has not paid due attention to developing the machinery production industry in service of agriculture.

Regarding foreign economic relations, there were two kinds of opinions. The majority of these opinions critically asserted that no clear-cut results have been obtained, that foreign currencies have been wasted, that the importation of foreign goods has gone out of control, that foreign debts are considerable, that some cadres have taken advantage of external economic activities to enrich themselves, and that there has been great confusion in the organization of import-export with many organs acting as centers for direct importation of goods, a state of affairs that has benefited only foreign traders. But there were opposite views holding that although

confusion in the operations of import-export centers and in import-export activities is a serious shortcoming and that these centers and activities should be reorganized, it is wrong to claim that the socioeconomic effects of import-export industry have been negligible and that external economic activities have adversely affected domestic production. Many achievements could be cited. For example, the volume of processed industrial goods for export, which accounted for 7.9 percent of the city's total production in 1985, increased to 21 percent in 1990 as a result of the renewal of technology and equipment....

Concerning the renovation of the state's activities, the shortcomings in state management were not caused by a "lack of concern and careful consideration..." but by the fact that "the current contingent of state managers are incapable of managing a society which is entering a market economy system. That weakness is manifest in both the quality and capability of cadres." At the same time, in their appraisal of the situation, the contributors suggested that emphasis be laid on the following problems: Some policies of the People's Council have not been fully and scrupulously implemented; cases of unprincipled action have been allowed to occur in the streamlining and reorganization of the management apparatus and this task has not been carried out in accordance with the established policy....Law enforcement and adjudicative work have not been done seriously, because, on the one hand, the investigative and adjudicative services have not fulfilled their duties and have committed negativism, and because, on the other hand, there has been too deep interference by party committee echelons in the work of the law-enforcement services. At present, corruption is rampant in the state apparatus in many subtle forms; corruption suppression is still only a slogan, yielding not much result so far.

In regard to mass mobilization, various opinions maintained that the draft documents have been simplistic in assessing the real mood of the people of various strata. It is not true that the masses are "uneasy"; they are in fact "indignant" at the unjust acts, the special privileges and prerogatives, and the corruption of a number of cadres, party members, and state officials. This is a danger that will lead to instability.... The city's party committee and various party committee echelons have not really devoted themselves to mass mobilization work, have not paid attention to the mass organizations' activities. The disturbing state of "degradation" of these mass organizations has not been confined to the grass roots but has even reached the higher levels. The city-level youth union has only pursued formalistic activities, showing little interest in in-depth activities at the grass-roots level. It is correct to incorporate the union's operations in party building work, but the contents of this activity have been too limited....

Concerning party building, some party organizations suggested that the draft documents should focus on three major measures: corruption and negativism suppression, grass-roots consolidation, and devotion to building up

political forces. In cadre work, they proposed that cadre assignments be reconsidered because in this work composition is still being overemphasized while standards and capability are belittled. Cadres who committed errors and offenses have not been severely and judiciously dealt with. The party organizations suggested that the city's party committee pay special attention to fostering the contingent of successors.

The conference of the city's party organization executive committee has heard a summary of the suggestions mentioned above and debated them. It has accepted these suggestions and has revised and amended the draft documents before holding the city's party organization congress. The conference stressed: "Under the party reorganization plan, we must resolutely uncover and eliminate opportunist and corrupt elements. We must raise the standards of cadres so that they may be able to carry out their duties. In regard to youth-related work, it should be reiterated here, for the sake of accuracy, that youths' good deeds must be acknowledged. The city's youth union's activities, which have been closely linked with such practical tasks as finding jobs for youths, promoting science and technology and social work, organizing activities in accordance with the youth union's traditions...from the city to the grass roots, have contributed to developing youths' personality."

#### **Ideas Discussed**

922E0038 Ho Chi Minh City TUOI TRE  
in Vietnamese 22 Oct 91 p 2

[Article by Vu Khanh: "Ho Chi Minh City's Cadre Work: Some Suggestions"]

[Text] The draft political report to the fifth congress of Ho Chi Minh City's party organization was made public a few months ago and has received active and straightforward suggestions from large numbers of party members and the people's representatives. The most typical suggestions have been incorporated fairly clearly in the text to be presented to the congress.

#### **Numerous Suggestions Accepted, Many Sound Proposals Acknowledged**

Compared with the draft version, this document contains a concentrated and more profound analysis of party building, including party base organization and cadre work. The document's most prominent feature is its linkage with the realities of life and with the socioeconomic background of which the most important characteristic governing various fields of activities is the city's switch from the old mechanism to the state-managed market mechanism. The text of the political report to be presented to the city's party organization congress also clearly highlights the contents of the address by the comrade secretary of the city's party committee at the seventh national party congress, which dealt with the state of "party members being numerous but not strong," with how party members should be educated and trained under the new mechanism, and with the

"inadequacy" of the city's contingent of cadres in the new mechanism (the contents of this address were not brought up in the draft report.) The review of the responsibilities of the city's party committee also dissects the leaders' responsibilities in the stage of shifting from one mechanism to another.

The acceptance of suggestions has brought the report closer to the realities of life and to the major concerns of cadres, party members, and the masses. These concerns center on three issues: How should the party renovate itself under the new mechanism? How should the party's functions be determined and divided from those of the state? How should the party reorganize and purify itself?

The documents to be presented to the forthcoming city's party organization congress have dealt with the party's work and responsibilities more correctly and more clearly. However, there still remains some work that has been reviewed in these documents as if the party committee was acting as the city's People's Committee. For example, the documents say that "the party committee has been slow in guiding, managing, and coping with situations in money trading, which has resulted in the mass bankruptcy of credit organs," and that "the party committee has been slow in uncovering and rectifying the deviations of some districts, wards, and sectors in their pursuit of service, trading, and import-export business." The documents also contain two paragraphs stressing that "the city's party committee has directed the People's Committee to issue official documents concerning the management of foreign nationals and on various political security and social order problems." This assertion was made in spite of the fact that "issuing official documents" is a highly concrete measure in the various stages of organization of implementation of state management. While this specific task of the People's Committee has been dealt with in such a concrete manner, the role of a rule-of-law state (this concept has not been mentioned in the documents), the role of legislation (this concept has not been dealt with in the review of the city's party committee's responsibilities), and the still sluggish, ineffective struggle against corruption and negativism has not been concretely analyzed. The political report points out very clearly our resolve to distinguish between the party's and the administration's functions, but holds that this is a matter of work style and work method. In addition to this, it is necessary to take note of the frank attitude in reviewing our weaknesses in leading a thorough study and perception of the market economy in order to exert leadership in accordance with the new mechanism; in renovating the methods and contents of party bases' activities; in renovating the mass mobilization and cadre work; in guiding the four movements.... Thus, obviously the practice of concentrating on resolving trivial daily routine and concrete socioeconomic problems (which has been confirmed by the report) has affected the concern for and investment in party work. In reality, the state of stepping on one another's toes in work has more or less resulted in overlapping of duties and confusion in state management.

### Market Economy

Understanding the reverse side of market economy has been a lesson of experience we have learned at great cost over the past few years. But it is even more essential for us to understand the laws of market economy. In the past, we only had a profound knowledge of Marxist-Leninist political economics, therefore, making a systematic and scientific study of market economy is a highly objective requirement. There is no lack of manpower sources that Ho Chi Minh City can exploit for this task (they include intellectuals, specialists, overseas Vietnamese, and even foreign experts who frequently visit the city). The problem is our policies on science and on attracting and mobilizing the grey matter. In regard to science, the political report clearly points out that the city's party committee has paid attention to science and technology but has not yet adopted a resolution on this question, and that it has organized and supported concrete undertakings, and has educated the intelligentsia in ideology, ethics, and political skills. It is necessary to educate and improve intellectuals in these fields, but how should we organize for this contingent to carry out research and contribute their grey matter in the new stage? We should act in such a way as to ensure that all leadership and managerial activities of the city are deeply and thoroughly imbued with a scientific spirit in order to prevent our concrete work from producing the opposite effects in spite of our resolve and our upholding of the socialist orientation and of wholesomeness and correctness. For instance, we have strongly affirmed that we would "persist in the policy of not permitting private banking activities," but in reality our methods of monetary business management have tacitly allowed hundreds of private banks to operate spontaneously (under the name of credit cooperatives). We have steadfastly consolidated the leading role of the state sector, but our working method of "spreading capital thinly" has only provided the state-operated enterprises with barely enough emergency aid to scrape by, not to fulfill their leading role....

### Building a Rule-of-Law State and a Contingent of Managers

The most decisive factor is still the building of a rule-of-law state and a contingent of highly specialized economic and state managers of good quality and virtue. In the Political Report, the role of a rule-of-law state has not stood out, not because the building of such a state has been listed as the sixth task. All the basic requirements for the building of a strong state (which the party has considered as the central task of its leadership)—such as building a legal system with appropriate regulations and statutes, improving the administrative machinery, and building a contingent of capable cadres of good virtue—have not been dealt with adequately in the report. Probably this is due to some remaining glitches in the more basic issues such as determination of the functions of the party and the state, the concept of the rule-of-law state, and legislation. Reality has taught us a bitter lesson about assignments of cadres who do not have the

required capability and virtue: that was the utterly stiff price we have had to pay in terms of the party's and state's prestige in some socioeconomic changes. The real state of "inadequacy" of cadres should be dissected more deeply, and this should include a series of tasks ranging from a reexamination of the evaluation viewpoint and cadre assignments...to the question of democracy within the party, the treatment accorded to the grey matter, talented people, and the younger generation. "Treating one another with indulgence or waiting for one another; irresolution and even a lack of unity and of discussions in some principled issues concerning cadre work" have been acknowledged in the political report. What is the essence of this state of affairs?

An opinion that has always been expressed in all discussions held to make suggestions to the forthcoming second-round congress of Ho Chi Minh City's party organization is that corruption, negativism, and abuse of power must be completely eliminated. A total of 10-15 percent of the city's party members (that is nearly 12,000 members) have been noted down as weak in the political report, but only one-third of them (4,189 members) have been disciplined. But, not mentioned is the fact that nearly 100 party members (an incomplete figure noted by reporters) have been brought to trial and punished by law, some sentenced to life imprisonment. This means that the state of lawbreaking by party members has not been dealt with in the report although it should have been considered as cause for grave concern and a disturbing problem in cadre work. The orientation for building up the city in the period ahead raises demands that are not only rational but also very exacting and very difficult. This time around the city has given itself two additional central roles: one as a financial and banking center and the other as a commercial and service center, with industry, trade, and service as its principal economic structure and with the aim of quickly advancing industry along the line of modern techniques and technology. Are these plans realistic given the current state of the city's leadership and management? We would like to suggest some main tasks: The functions of the party and the state must be delineated; leadership must be exercised in building a rule-of-law state; negativism and corruption must be duly dealt with; and leadership must be provided and a proper climate created for studying and adapting to the new mechanism and to the requirements of the new tasks.

### Open Letter to Party Member

922E0037B Ho Chi Minh City TUOI TRE  
in Vietnamese 22 Oct 91 p 2

[Article by Ng. T. Que Mai: "Open Letter to My Friend, a Party Member"]

[Text] According to the constitution, in our country, the party's leadership is a matter of course, a legal thing. This offers great convenience to the party and every one of its members. However, if you are honest and objective, you should have recognized that the party's prestige

is declining and that, at many places, party members are losing their exemplary role, therefore, in reality, the party's leadership is also limited.

Formerly, the people fostered you in a direct and concrete manner, providing you with every meal and hiding you in shelters dug right under their families' beds. Today, the people nurture you indirectly through their taxes and the annual mobilization of their contributions to the budget. Thanks to this, you can step into a home bought recently at official price, you ride in a new car to your office, and you are provided with all the means necessary for your daily life and work.... You have a right to consider all this as a compensation for your work. However, no matter how much you get paid for your labor as a commodity, the obligations of a party member must be estimated at a price that cannot be calculated in terms of money, but in terms of something else that is obtainable only in industrious, thrifty, honest, righteous, and impartial officials. This is also a yardstick for use in finding out those people who live in accordance with the laws of the market economy but never commercialize their dignity and peddle their power.

The criteria for scrutinizing and evaluating people in the construction period of the 1990's have obviously acquired new contents. Naturally, these criteria are not confined to the ethical standards.

There was a time when I walked together with you as a patriot. I loved the country and you as the vanguard fighters of the nation. I loved the strong Vietnamese character in you, and I even loved the revolutionary romantic nature of those who devoted themselves to the service of society. Perhaps I might not like this or that party member A or B, but I respected the party with its values and ideals that the majority of you were pursuing.

However, those were the universal values that are appropriate for wartime and also necessary in peacetime. But, as for the new criteria in the construction period, to me and even to you, the leaders, they are all new and highly challenging. This is because war-related knowledge can be quantified, but the knowledge necessary for peacetime creation and construction is boundless.

With the exception of some rare outstanding individuals, for most people talents and virtue in construction cannot be acquired through short-term training courses only. It is even more impossible to keep people honest by merely holding weekly criticism sessions.... This can be done only through an entire national education process that meets the standards of our time; through a healthy socioeconomic environment; and through a legal system capable of readjusting the behavior of all people including you, the leaders, of course. Therefore, it is not enough for the party to live among the people as a revolutionary fighter only; it must have talents and must know how to live in a democratic manner among the people if it is to live in good health and to develop incessantly.

### Differences in Outlook on Reforms Discussed

92SE0083A Stockholm DAGENS NYHETER  
in Swedish 11 Nov 91 p A 9

[Article by Goran Leijonhufvud: "Variety Slowly Appearing in Vietnam"]

[Text] Hanoi is increasingly characterized by variety. It is not just the selection of goods in the quickly growing private market or the thousands of small sidewalk cafes and restaurants.

It is not just the advertising signs alongside the diminishing number of political posters.

There is also a variety of opinions, something I saw for the first time here. It is not that people dare to question the Communist Party's monopoly on power, with the exception of a few individuals. But the scope of the discussion has been expanded.

The party leaders still respond automatically with restrictions and sometimes arrests if they perceive a threat. Following the total collapse of the Communist Party in the Soviet Union they retreated into their shells and temporarily withdrew a constitutional amendment proposal.

Now the proposal will come up in December in any case, several party sources in Hanoi told DN [DAGENS NYHETER]. The proposal is aimed in part at reducing the party's role in the government and would allow independent forces to occupy even high positions.

Variety is also beginning to be felt in the social area. The authorities are allowing a growing number of outsiders, for example Catholic groups and foreign aid organizations, to work in the social service area. Such groups turn many concepts upside down.

"We are fully aware that we need to increase democracy, expand human rights and build up an independent judicial system," Le Dang Doanh said in an interview with DN. He is actually an economist but has been assigned the task of supervising the constitutional reforms.

### War Mentality

He views a war mentality as a big obstacle to the reforms. Decades of war led people to regard it as a normal condition and to think that everything must be secret and restricted.

"But our new market economy cannot function under such conditions."

Doanh stressed that it is a difficult balancing act:

"We need stability to enable us to introduce reforms. But at the same time we need the reforms to preserve stability."

I did not find quite the same readiness for political reform when I talked to Ho Anh Dung, vice chairman of the party's ideological division.

"We are concentrating first and foremost on the economy, for that concerns the living conditions of the workers."

For long periods he reeled off texts from the party congress last summer. For example:

"We want to create a consumer economy with several sectors that are driven by market mechanisms and supervised by a government with a socialist orientation."

### Marxist Jargon

He did mention the plans to renew the political system but he also repeated Marxist jargon. One must "perfect socialist democracy" and "increase the right of the workers to be masters."

He said that in Vietnam the party has a historical mandate because it conducted the war against French colonial power and against the United States.

But he conceded that a party with government power always runs the risk of losing contact with the people and becoming bureaucratic.

"That is a very serious problem. The party must renew itself and strengthen its ties with the people," Dung said.

I asked how he views the decline of communism in Europe.

"There is quite a lot of discussion about this in the party and out among the people. Historical development goes in a zigzag and sometimes there are sharp setbacks. But we believe in our cause."

"We are now linking socialism with patriotic propaganda, with the question of our country's independence. In Vietnam socialism was not introduced from the outside as it was in East Europe."

### Ho Chi Minh Quoted

He quoted the words of the father of the Vietnamese revolution, Ho Chi Minh:

"Nothing is more valuable than independence."

However he forgot to mention the rest of this passage: "But independence is worthless without freedom."

Dung rejected a multiparty system with reference to poor experiences in 1946. At that time some parties collaborated with the French. He also mentioned the period of the Saigon government in South Vietnam when "patriots and socialists" were banned.

Even Vietnamese who are not part of the party's inner circle do not view a multiparty system as something that

is necessary today. An older diplomat and adviser to the government said that pluralism must be developed within the party.

"Look at the rest of Asia. Even Japan has a one-party system in practice, but there are several factions within it."

"The countries of Southeast Asia have been developed as a result of a market economy in combination with limited democracy. We will not be ready for pluralism before economic development creates new classes of businessmen and professionals who crave influence."

### An Outspoken Critic

Nguyen Khac Vien is a frail man who attends to the mental health of Vietnamese children in the autumn of his life. But he also attends to the nation's political health. His sharp criticism of the party leadership has given impetus to the debate.

Only Vien's high prestige protects him, some say. He is a party veteran who was one of Ho Chi Minh's intimates during the war.

I was unable to obtain an interview with him through official channels.

"It is difficult for us. He has no official standing," the press center explained. The idea that an interview with one of the party's critics would contribute to the picture of pluralism that the leadership would like to create was an argument that no one swallowed.

But through unofficial channels I arranged a meeting with Vien; historian, journalist, and children's physician.

He met me where he used to work, a publishing house in the middle of Hanoi. The old French dwelling is being refurbished—like so many houses here at a time when the lovely city is waking up from a kind of enchanted sleep, awakened by sweeping economic reforms.

### Warning

But in a letter to the patriotic front in January Vien raised a warning finger.

"I think the party's reform line is correct. But unless the party makes changes in political structures and implements fundamental reforms in administration there will be a catastrophe," Vien explained in mellow French.

"The political, international and economic situations are changing. But our political and administrative apparatus is very oldfashioned. It is geared to a low economic and technical level, to a nation at war."

He wrote in the letter that the party's refusal to relinquish any power has made it powerless. The lack of democracy has also turned good people like author

Duong Thu Huong, now imprisoned, and journalist Bui Tin, now in exile, and many Vietnamese living abroad against the government.

"A lot of people objected to my letter and reacted in particular to the word 'catastrophe.' Others said that a party member has the right to express his opinion."

#### Dialogue

The pressure from Vien and other intellectuals has brought about a dialogue with the highest party leader, Do Muoi, who met with them several times in the fall.

But Vien does not think the time is ripe for a multiparty system. "Not this year at any rate, but who knows what it will be like next year.

"Pluralism of ideas is one thing and pluralism of parties is another. We can try to have the former without necessarily having the latter."

He said that only the rich could organize a new party now.

The events in the Soviet Union have had a very strong influence, in his opinion.

"The political and administrative apparatus resembles the one that failed in the Soviet Union. But many things in Vietnam are different from the Soviet Union: the mentality, the history, the geographic and material conditions."

Vien conjectured that his criticism led to a dialogue because he presented it within the party organizations.

Bui Tin, on the other hand, who says roughly the same things, has been censured and expelled from the party because he spoke out abroad. Other influential critics have also been subjected to reprisals.

#### Article Stresses Role of Ideology Task

922E0044B Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 8 Oct 91 p 1

[Article by Nguyen Quang Le: "Resolution of the Seventh Party Congress Coming Into Life: Let Us Strengthen Ideological Work in the New Situation"]

[Text] Ideological work plays a particularly important role in any revolution. The resolution of the seventh party congress also stressed the role of ideological work in the building of socialism in our country.

Since our economy switched from the subsidy-based mechanism to the market mechanism, especially since the collapse of the socialist system in Eastern Europe, ideological work has tended to be neglected. In some people there has appeared a reluctance to talk about ideological work. Many erroneous viewpoints have not been promptly opposed. Ideological work has failed to

create a unified force and to catch up with the development of society and has often been overtaken by development of the situation. The information front still has numerous gaps that have been exploited by western mass media to oppose and sabotage us. There have been many signs showing that the crisis in the publishing and press sector is doing much harm to ideological work.

The primary cause of this state of affairs is the confusion in theory and the slow pace of the renewal of thinking in ideological work. However, there is also another important cause, namely the political vacillation of a segment of workers on the ideological front, the loosening of management, and the erroneous concept of indiscriminate abolition of subsidies in ideological and cultural work....

To enable ideological work to satisfactorily fulfill its role and functions in keeping with the spirit of the seventh party congress resolution, we would like to suggest the following:

—We must consolidate the united front in the sphere of ideological work and create a unified, responsive, and timely but strict command. Ideological work must be strengthened in the fields of public information and culture and arts by means of lively and persuasive forms of activities. We must avoid the state of everyone acting on his own initiative or even making contradictory statements, thus causing disturbances in information and adversely affecting the masses.

—We must further renovate ideological and information work and put an end to the practice of dancing attendance on public opinion. We must be able to anticipate the situation and potential changes in people's thinking in order to devise effective guidance methods. We must redouble the effort to fill the information gaps so as to promptly struggle against counter-propaganda themes of foreign mass media.

—We must develop to the highest level the strength of the social sciences, culture and the arts, and the press in doing ideological work. We must be able to bring together the intellect of scientists, writers and artists in a long-term ideological work strategy with appropriate steps. This is a key factor that would determine whether our ideological work is strong or weak, shallow or far-reaching, effective or ineffective.

We must immediately revamp and replan the press and publishing network and put an end to the current phenomenon of "drinking poison to quench one's thirst." We should not consider this as an exclusive task of the cultural sector but as one of all society because these poisons do not just warp aesthetic tastes but can also do considerable harm to the thinking and personality not only of the present generation but also of the future ones. We must severely deal with all errors and contraventions and adopt a correct policy on investment for strategic ideological and cultural activities.

**Director Speaks on Socio-Political Stability**

922E0057A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 26 Oct 91 p 2

["Excerpt" from speech by Nguyen Huu Khuong, director of the Ho Chi Minh City Public Security Service and delegate of the Municipal Public Security Party Organization: "We Must Do a Better Job of Protecting Political Security and Social Order and Safety in the City"]

[Text] To clarify the resolution of the seventh party congress, in order to create new strength and better defend state security and social order and safety in the city, we would like to discuss the following matters:

First, the hostile powers are carrying out a plot to attack us from within, to incite an "independent movement" to oppose the party and the regime. Therefore, we are aware that being concerned with strengthening the party and governmental organizations, the sectors, and the mass associations, so that they can continually be on guard against and fight all enemy plots and schemes to divide and sabotage us from within, and building a solidarity bloc of all the people, are key concerns of national security and ensure the maintaining of internal stability in our country, and create conditions for effectively preventing the sabotage activities of external enemies. To fulfill that responsibility, we must continue to promote the campaign to purify the party, eliminate corruption and negativism in the state apparatus, and repel the negative phenomena in social life.

Second, the enemy are stepping up their sabotage against us in all spheres—political, economic, cultural, and social—by means of many dangerous forces and schemes. We must carry out a plan to take the initiative in struggling against the enemy in all spheres and in all areas, by means of the entire party, Army, and population, under the direct leadership of the party committee echelons. The protection of national security (including protecting political security, economic security, cultural security, and social security) must be fully understood and manifested even in the policies, plans, and actual activities of the echelons, sectors, and mass associations, and it is a key task that must be carried out every day, one for which the commander bears primary responsibility. That is the combination of two strategic missions: building socialism and defending the socialist fatherland. Stabilizing and developing all aspects of social life is the foundation of state security. On the other hand, solidly defending state security and maintaining social order well will create conditions for stabilizing and developing society in all respects and create a favorable environment for renovation.

Third, we must pay special attention to consolidating the socialist ideology front and the thought of President Ho, which the resolution of the seventh party congress set forth, and strive to defeat the enemy's cultural-ideological sabotage activities. We must strengthen belief in the party's renovation undertaking among the

revolutionary organizations and all strata of people, especially the young generation. We must strongly criticize the erroneous viewpoints and expose the true nature of the hostile powers. We must develop the positive role of literature, art, and the mass media in order to bolster morale, noble sentiment, and national pride, and endeavor to make the people rich and the nation strong. There must be a plan for complete coordination of the functional sectors in order to struggle against psychological warfare and prevent publications with reactionary, decadent contents from flowing in from foreign countries. People who disseminate and deal in reactionary, decadent cultural works in the city must be strictly punished.

Fourth, we must realize that in the complicated situation at present we must be resolute, and take the initiative in guarding against and continually attacking the enemy and the other kinds of criminals and preventing crime, but we must always closely combine prevention with attacks, relying primarily on prevention, and combine strictness and leniency and suppression with reform education. We must strive continually to grasp the situation and take the initiative in preventing and smashing all plots and acts of the hostile powers and criminals. Those who obstinately oppose the regime must be strictly punished, with leniency toward criminals who repent. Economic and criminal violations must be attacked continually and we must attack very strongly those who are corrupt and violate state property, as well as dishonest businessmen, smugglers, producers of ersatz goods, professional criminals, hooligans who operate on the streets, and people who organize the various kinds of social evils. We must strengthen measures to maintain urban order and contribute to protecting national security in the city.

Fifth, I recommend that the party committee echelons strengthen their leadership of all levels, sectors, and mass organizations in order to promote the prevention task and have plans to take the initiative in coping with politically complicated situations. It is necessary to concentrate on resolving the pressing political and economic problems, the factors causing social instability. I recommend that the Fatherland Front, the mass organizations, and the sectors launch a deep and broad mass movement to defend the security of the fatherland in the residential areas and in organs, enterprises, schools, and hospitals, and build them into zones and areas that are safe with regard to security and order. By means of the mass movement it is necessary to build local security forces and part-time forces, while also urgently building political forces of the hardcore masses, in order to defend the party and socialism

First of all, the public security forces must struggle against and strictly punish all negative manifestations among the public security cadres and men at all levels, so that the public security sector can be truly pure and strong ideologically and organizationally, and skilled professionally.

### Editorial on Implementation of Tasks by Congress

922E0058A Ho Chi Minh SAIGON GIAI PHONG  
in Vietnamese 30 Oct 91 p 1

[Editorial: "Continue To Discuss the Six Important Questions in the Party Organization Congresses at All Levels"]

[Text] In the report recapitulating the opinions expressed in discussing the documents of the fifth congress of the municipal party organization (round 2), the secretary of the municipal party committee posed six questions and recommended that the congress concentrate on debating them.

Those questions may be summarized as follows:

1. Faced with the greatest challenges ever by the present world situation, can the Socialists Republic of Vietnam survive? Can the revolutionary undertaking of our party and people stand firm and advance?
2. What must be done to develop the city's central role, in accord with the laws of a commodity economy, in order to accelerate the rate of development of the city, the region, and the nation as a whole?
3. The common goal of the hostile powers is to lead us into a trap from all directions. Faced with that situation, do we dare continue our open-door policy? What moral qualities must we have?
4. Developing a multicomponent commodity economy with a socialist orientation is a complicated and contradictory question. What must be done to develop the positive aspects, and limit the spontaneous negative aspects, of a commodity economy?
5. The contents, directions, and measures of the party's mass work.
6. Rectifying the party in accordance with the testament of Uncle Ho is the most decisive factor. How should we overcome the deficiencies, and strengthen the vanguard and combative nature, of the party organizations and party members?

Those six questions are basic ones which include the contents related to the political directions, measures, and path of advance of our country's revolution under the new circumstances. They are also major questions the resolution of which is demanded by the city's actual situation. To answer those questions correctly would be to determine the main contents of the party organization's leadership work at present.

It may be said that the seventh party congress pointed out the common direction for answering those questions. The fifth congress of the municipal party organization (both round 1 and round 2) included sessions during which opinions were contributed extensively to the draft documents, which were discussed enthusiastically and concerning which affirmative answers were found.

However, answering those questions must be a task of all party members and all party organization echelons. Furthermore, the answers can attain maximum persuasive force only by the effectiveness of the actual work.

Therefore, the six important questions must continue to be discussed at the party congresses at the precinct-district and equivalent levels, and at the basic-level party organization congresses, and manifested ultimately in action programs that are realistic and ensure high effectiveness. On the part of each party member, the party demands that they answer them themselves, with profound, enlightened consciousness and by means of knowledge and specific deeds.

The revolution is an undertaking of all the people. Therefore, we are very respectful of the feelings and intelligence of the people of all circles who contributed to answering the major questions posed at the municipal party organization congress. We believe that the people of the city, including the intellectuals and scientists, will, in many different ways, contribute many valuable opinions.

The more the six important questions posed at the municipal party organization congress are discussed deeply and specifically, the stronger our determination and confidence will be.

### Editorial Discusses City's Urgent Task

922E0053A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 28 Oct 91 pp 1, 5

[Editorial: "Start From the Most Urgent Points"]

[Text] The fifth municipal party organization congress, round 2, concluded recently. The congress pointed out various political tasks, and these must be organized for implementation by the executive committee and then implemented by the administrative leaders, sectors, and echelons in the coming years. These tasks include maintaining political stability, exploiting the human and raw materials resources of the city, concentrating effort on reorganizing, stabilizing, and expanding industrial and agricultural production, commerce, and services, generating accumulation from within the economy, giving attention to the material and spiritual lives of the people based on all-round renovation, manifesting democracy, reorganizing the party, administration, and mass organization, carrying out the city's role well, and actively contributing, together with the state, to getting out of the present crisis and building and defending our socialist fatherland.

In order to carry out these political tasks, there are many things that must be done, but they cannot be done all at once. Of all these tasks, we should start with the most urgent tasks in order to make an impact on the situation in general.

The people of the city still have confidence in the party, and they demand prompt and correct leadership from

the municipal party organization, specifically the recently elected executive committee, in accord with the all-round renovation spirit put forth at the seventh congress. The common hope of all strata of people in the city is to have a job and be able to work with their minds at ease. In view of this, the people of the city fully agree with the idea expressed by General Secretary Do Muoi at the municipal party organization congress: "Today, no task is as urgent as the struggle to enrich our people, strengthen the country, and defend our beloved fatherland."

To provide jobs, the state must implement policies to stimulate production, stabilize the economic situation, and defend the legitimate rights of the people. The people won't be at ease and won't dare invest capital if the economic situation continues to fluctuate. It is estimated that the idle capital of the people is presently about 4.8 billion dong, which is approximately equal to the capital sources of the state economic sector in the municipality. Naturally, this capital has been turned into gold, dollars, and immovable property in order to preserve its value in the face of inflation. The question is how to attract this capital for production and business. The answer is that we must implement trustworthy economic policies and stabilize the economy.

During the recent economic fluctuations, the price of gold and the value of the dollar are the two things that have fluctuated the most and had the greatest effect on economic and social life. It must be admitted that in both legitimate and illegal (smuggling) activities, the economic elements all use gold and the American dollar as the standard units for converting Vietnamese dong. Because as the value of the dollar increases, the value of the dong declines. As an example, during the first eight months of 1991, the value of the dollar increased 50 percent (10,800/7,200). Thus, for every 100 billion dong, there is an invisible loss of 33.33 billion dong. This is why prices have increased. This is also the reason why units that once made a profit have been suffering a shortage of capital from one year to the next. This is why the standard of living of millions of people living on fixed incomes has declined.

In the economy, the price of gold and the value of the dollar are pressing problems today. Starting from this burning issue, we must implement economic measures strong enough to solve this problem. The measures implemented in the past to reduce the "gold fever" were half-way, voluntaristic measures. The state stores tried to maintain prices, but little gold was sold and this encouraged the private sector to raise prices, fostered a "scarcity" psychology, and enabled speculators to reap huge profits.

To stabilize the economy and generate confidence so that the people will invest capital and the state economic units that have been determined to be profitable units can continue to operate effectively, the first thing is to stabilize the price of gold and the value of the dollar. This cannot be done by the city alone. This requires

coordination and the help of the state. With its role as the large economic center of the country, the city must serve as the activist in coordinating things.

The recent fluctuations in the price of gold and the value of the dollar have done inestimable damage to economic and social life, imports and exports, and foreign investment. In the interest of economic stability in general, it's time that the state's reserve gold and foreign currency fund participated in the markets in order to soon contribute to stabilizing the price of gold and the value of the dollar, overcoming the effects discussed above, and generating economic and social effects.

## ECONOMIC

### New Joint Ventures With Japan

92SE0088C Hanoi VIETNAM WEEKLY in English  
28 Oct 91 p 4

[Text] Two more joint ventures with Japan have been licenced. The first in silk production, is formed with Ki Nushow Co. Ltd., with a capital of more than \$2 million. Vietnam's contributions include \$970,000 and 12 tonnes of silk yarn.

The joint venture does all the jobs from growing mulberry to weaving. Annual output is set at 650,000 metres.

The second, MAXVITRA, involves the Export-Import, Production and Supply of Transport Equipments Company (VIETRANIMEX) and MASE ROUND Co. Ltd. It specialises in repairing transport means and making parts, with an investment capital of \$3 million and a prescribed capital of \$2 million.

Another Japanese investor, the Nippon Investment and Financial Company, is planning to build an industrial park in Ho Chi Minh City. The park, a joint venture with the municipal authorities, will cost \$6.5 million, and some 200 foreign companies will be invited to set up business there.

### ASEAN Investment Projects Detailed

92SE0088A Hanoi VIETNAM WEEKLY in English  
21 Oct 91 p 13

[Text] So far businesses from five ASEAN member countries—Indonesia, Malaysia, the Philippines, Thailand and Singapore—have investment projects in Vietnam.

Possibilities of bilateral cooperation and investment between ASEAN member countries and Vietnam are great. The range from oil and gas exploration and exploitation, mineral exploitation, agriculture and fisheries to tourism and other services. More and more businessmen in the Southeast Asian region have come to Vietnam seeking investment opportunities. As a result many important investment projects have been established.

However, the number of investment projects getting off the drawing board remains undeveloped compared to the considerable potential of bilateral cooperation with ASEAN countries and falls short of the expectations of Southeast Asian region investors. By the end of September 1991, 39 investment projects with total prescribed capital of \$175 million from ASEAN countries had been licenced. They represent 12.4 per cent of foreign investment projects and 7.2 per cent of total legal capital invested in the country since the law on Foreign Investment was enacted in early 1986.

Of these five ASEAN countries, Thailand is the fore-runner in not only beginning to invest, but also in the number of projects approved.

The viewpoint of former Thai prime minister, Mr. Chatchai Chunhawan helped pave the way. He called for Thai businesses to turn Indochina from a battlefield into a market place. Thai companies began bilateral commercial activities and later on began to invest in Vietnam. Of the 19 projects, most engage in the exploitation of mineral ores such as precious stones, seafood processing, hotel businesses and consumer good production. Some are operating lucratively, particularly seafood processing projects. Some projects, on the other hand, have failed to be profitable and had to close down.

The number of investment projects in Vietnam by Singaporean companies remains insignificant and most focus on the light industry sector and services. However, Singapore is one of Vietnam's biggest trade partners with currencies easily convertible, second only to Japan.

Late comers to Vietnam investment are Indonesia, Malaysia and the Philippines. Although they represent a small number of projects, they remain in the forefront in terms of the efficiency of their investment projects approved since 1990.

Of the four projects operating in Vietnam, Indonesia's Indovina Bank, with as much as \$10 million in prescribed capital, is actively taking part in transactions of foreign currencies in Vietnam. The contract on oil and gas exploration and exploitation between Petro Vietnam and Petronas Carigall Overseas SMD BHD of Malaysia known as Petro Nas with initial prosecution costs amounting to \$65 million is the biggest investment project of Malaysia and is the only project on oil and gas conducted by an ASEAN country in Vietnam.

Not to be outdone by its ASEAN partners in terms of capital, a company in the Philippines has invested more than \$33 million in a joint venture with the Hoa Binh car manufacturing factory in Hanoi. The joint venture, one of the Philippines four projects in Vietnam, will assemble cars and vehicles for both domestic consumption and export. Later, it will begin manufacturing car and vehicle parts.

Total investment of the five ASEAN countries by 30 September:

Countries Number of projects Total Investment (in million U.S. dollars)

1. Indonesia 4 13.8 2. Malaysia 4 66.5 3. The Philippines 4 40.0 4. Singapore 8 18.0 5. Thailand (\*) 14 34.2

(\*)Licenced investment projects already cancelled are excluded.

### Central Coast Attracts Foreign Business

92SE0088B Hanoi VIETNAM WEEKLY in English  
21 Oct 91 p 4

[Text] So far, 102 foreign business delegations have come to explore possibilities of cooperation and investment in Quang Nam-Danang, a province in Central Vietnam with a 150km coastline and two large harbours.

They came from Japan, Hong Kong, France, Australia, South Korea, Taiwan, Laos and Singapore. They are most interested in seafood processing, ship-building, power industry, oil and gas industry and forest products.

Eight foreign-investment projects in the province have been licensed, totalling USD 25.3 million and Rouble 1.7 million in capital. Four oil companies have also set up their representative offices in Danang: SHELL of Holland, British Petroleum, BHP (Australia) and SECAP/PL (Sweden and Canada).

### Pham Chanh Truc Speaks on City's Foreign Trade

922E0052A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 25 Oct 91 p 2

["Excerpt" of speech made by Pham Chanh Truc, vice chairman of the Ho Chi Minh City People's Committee; place and date not given]

[Text] In general, during the past years, particularly 1990 and 1991, except for the service and travel corporations, almost all the city's import-export units have suffered a serious shortage of capital. Statistics show that budget-allocated liquid assets have averaged only 25 percent as compared with the liquid asset norm of the municipal economic sectors. And the rate is only 5.8 percent for the foreign economic sector.

Even though the amount of capital provided has not satisfied the requirements, the commercial results achieved for the state budget have been relatively high. In this, commercial and non-commercial import-export tariffs have accounted for approximately 30 percent of total revenues in the municipality.

Besides the lack of business capital, the domestic and foreign debt situation has long been a heavy burden on the municipal foreign economy even though the amount of foreign debt is not large.

In order to gradually eliminate the debts, we must promote import-export activities. The serious shortage of liquid assets for business has greatly limited the export

value. At the same time, domestic prices have increased constantly, foreign exchange rates have fluctuated, and our import-export tariff policy has not stimulated things. As a result, the present debt situation is still a major difficulty for the city and will take many years to resolve. On the other hand, the state should eliminate the debts stemming from the state subsidies mechanism.

#### State Policies and Foreign Economic Activities

a. Today, the export goods of the city face serious competition from other countries in this region and in the world. It is already difficult to find customers and markets. And because many of our goods can't compete with those of other countries in this region in terms of quality, prices can't compete. Because of this, the state must implement a price subsidy policy with respect to export goods, including agricultural, forestry, and marine products and export industrial goods. In particular, there must be a truly open policy to enable Vietnamese commodities to compete on Cambodian markets.

b. There must be specific policies to stimulate the production of export goods:

Every economic element must be encouraged to engage in production, cultivation, and processing and to invest in building plants in order to produce export goods. Tax exemptions must be granted for investing in various types of goods.

The banks must implement a policy of making long-term loans at a favorable rate of interest for sectors and types of goods that need promotion for export and import substitution purposes.

A fund must be established to protect goods produced domestically for export, including industrial goods and important agricultural products.

Specific policies regarding the foreign economy must be stabilized and unified. The state should not change things suddenly. When a policy needs to be changed, it should examine the specific conditions and measures in a rational manner.

#### Attracting Foreign Investment

The city has given attention to attracting and calling for foreign investment, and the shortcomings have gradually been overcome. However, in order to expand this even more, the city must set an even more definite direction in the future.

a. First of all, the city must determine the priority targets in calling for foreign investment in the coming period in order to:

Provide jobs for the laborers; transfer technology; increase investment capital; and achieve economic results.

We can be flexible in the order of the goals posed. But today, the need to provide jobs for laborers is urgent. This will benefit all of society over the long term, stabilizing politics, improving the people's standard of living, and helping to eliminate social evils. At the same time, in the near future, we will have a rank of skilled technical workers who are familiar with progressive techniques and management methods.

b. We must quickly delineate the economic structure in order to exploit the potential of the city and zone and, with a list of specific sectors and occupations, call for foreign investment in the coming five years. This will require coordinating things closely with the central ministries and sectors and the other provinces in the area.

c. One of the greatest obstacles in attracting foreign investment capital is that our infrastructure is weak and the investment environment is not uniform. Because of this, in order to overcome these difficulties, the Central Committee should give priority to such basic investments.

#### Problems in Managing Foreign Exchange Discussed

922E0043A Hanoi NHAN DAN in Vietnamese  
17 Oct 91 pp 1, 4

[Article by Nguyen Kien Phuoc: "The Dollar and Gold 'Fever' and the Foreign Exchange Management Policy"]

[Text] Every now and then, our country's economic life suffers from a bout of fever that may be real or artificial. However, the gold and dollar fever usually have serious repercussions on production and business activities and on social psychology.

Everybody knows that, in the final analysis, a strong and prosperous nation is one that has a healthy financial and monetary system the "safety" of which is guaranteed under any changing circumstances at home and abroad. In regard to our country, which is definitely switching to the market mechanism, one of the important issues of the financial and monetary sector is whether the state, through its banking system, can manage foreign exchange in a centralized and thorough manner. Administering centralized and unified management of foreign exchange (including gold) is to contribute to strengthening the financial system and gradually increasing the value of the Vietnamese currency.

Regrettably, our government at the center as well as in the localities is letting this important resource slip through its fingers. With the value of our country's exports already amounting to approximately 2 billion dollars and rubles annually, how can it be that the central government can manage only a few hundred millions? We do not have to look very far for an answer: In Ho Chi Minh City, up to hundreds of millions of dollars in foreign currency and tonnes of gold enter our country each year through the Tan Son Nhut port of entry, but most of them are brought in outside the banks' control.

Realities of life have shown that our policies remain self-contradictory in some respects, and this is a "loop-hole" through which dollars and gold keep flowing out endlessly. This is precisely what has caused the current dollar and gold bleeding. It is also the cause of further devaluation of the Vietnamese currency the value of which is decided by the fluctuations in its parity of exchange with the dollar.

These contradictions and loopholes are most evident in the fact that while the state has promulgated regulations on the centralized management of foreign currency (Decision 218/QD.HDBT of the Council of Ministers and Circular 54/TC of the Ministry of Finance)—a totally correct measure applied by all other countries in the world—it also tacitly allows state-operated units (from the ministries down to enterprises and corporations) to pay one another in foreign currency for their purchases or sales of materials and goods in the country and to let economic units that earn foreign currency not through the intermediary of the banks to spend dollars in cash wantonly, including in smuggling operations....

Let us cite a few examples. Inspection of 242 economic units in 42 of the 44 provinces, cities, and special zones—carried out between February 1991 up to the period preceeding the opening of the ninth session of the eighth national assembly by the organs of control at various levels in coordination with the banks and financial services—has shown that none of the units inspected in Vinh Phu, (former) Ha Son Binh, Ha Nam Ninh, Thanh Hoa, (former) Nghe Tinh, Quang Binh, Quang Tri, Binh Dinh, and Thuan Hai provinces has sold or turned in foreign currency to the state. Some units have opened bank accounts abroad in foreign currency or have deposited millions of dollars in overseas banks. The Tourist Service Corporation in Ho Chi Minh City has earned more than \$10 million but has sold to the state only \$32,000 (?), and so forth.

Many units have made illegal profits by using their foreign currency quotas to import gold for sale. Most worthy of note is that some units have used gold for unlawful trading purposes or in smuggling operations such as a number of units in Long An, Tay Ninh, Hau Giang....

There have also been many loopholes in import-export management. Each year, the state issues a fairly large number of official import-export licenses, but it does not tightly control the implementation of the conditions required for their issuance. As a consequence, licenses have been issued even to unqualified units, which eventually sell their foreign currency quotas (or their licenses) at a profit or to do business in collusion with private traders. Quota trading, one of the causes of disorder in import-export operations and in the country's economic life, has been reported in almost every locality.

Since it began operating in accordance with the renovation policy initiated by the seventh party congress, over the past five years Vietnamese economy has scored

definite achievements in curbing inflation, renewing some equipment and technology, and increasing the quantity and quality of its goods. This is undeniable. But compared to the average standards of the world, we must admit that there still is a fairly large gap between ours and the world's standards. One of the causes of this state of affairs is that while the state advocates importing the world's modern equipment and technology, almost the opposite is taking place in reality. Obsolete, discarded, and rebuilt machinery and equipment have been imported to turn out low-grade products or to be stocked up in warehouses and allowed to break down as time goes by. Everybody appears pained when talking about the backwardness and degradation of the infrastructure, but when it comes to importing, what are they bringing in? In Ho Chi Minh City, if we just look for a few minutes at the passenger automobiles traveling on a street section we can readily realize that in no other countries as poor as ours could enterprises and corporations and district and provincial officials have afforded such latest models of Peugeot and Toyota sedans, some costing up to 500-700 million dong a piece. In bars and restaurants, not a few cadres "entertain" by spending no less than 1 million dong each time. They drink the most expensive liquors available and puff "555" cigarettes as if the whole country was living in affluence. The phenomenon of squandering and embezzling the people's and state's money, which amounts to an economic crime, is rampant. While the corruption of a segment of cadres and party members in this field undisputably stems from a lack of self-improvement on their part, there also is another important cause: the many loopholes in our policies. For example, while advocating the centralized and unified management of foreign exchange, we also permit our own "offsprings" to use foreign currency under the pretext of "achieving income-expenditure balance by themselves," "financial autonomy," and "autonomy in production and business, and recognize their right to use foreign currency".... (Resolution 217/HDBT and Decree 333/HDBT of the Council of Ministers).

It is high time for the state to check the loosening of foreign currency and gold management as it happened recently.

In Ho Chi Minh City, the amount of dollars and gold brought in via Tan Son Nhut Airport in the first seven months of 1991 totalled \$226 million and 3,600 kg, but only about \$10 million were circulated through the banks, while the bulk of it was siphoned off to the black market, the place that controls and manipulates the prices of dollar and gold and other commodities in the city (and probably also in the entire country).

There is a question that needs to be answered: Why have dollars and gold circulated outside the state banks instead of being "sucked" to them? Business is business, and in any social system, "trust" must be upheld and promoted. It is correct to be selective in choosing customers when granting loans, but generally speaking, all

customers are "gods" and the banks must serve them carefully and wholeheartedly.

This article does not discuss the phenomenon of many corporations and state-operated enterprises which, because of poor management, borrow money from the banks anytime they lack capital (and bank officials are ready to accommodate because of the percentage-based commission they receive) and default when payments are due.

On the other hand, for not a few efficiently-operated enterprises and corporations that need additional capital for further developing their efficiency (only for the purpose of enhancing the prestige and strength of the state economic sector), applying for and obtaining bank loans is an "extraordinary feat" that requires patience and the willingness to endure all kinds of troublesome formalities.

Therefore, when talking about perfecting the policy of placing foreign exchange under unified management, we should discuss both sides of this problem in an equitable and impartial fashion, which is by no means a simple task.

However, completely neglecting this managerial task will bring about unfathomable economic (and even political) consequences.

### Cross-Border Smuggling Activities Noted

922E0032B Hanoi NHAN DAN in Vietnamese 2 Oct 91 p 1

[Article by Nguyen Van Bac, a border soldier: "Border Troops Combat Cross-Border Smuggling"]

[Text] For several years recently, cross-border smuggling has become very elaborate and, at times, serious. Border units throughout the country regularly patrol and inspect people and conveyances crossing the border and coastal region. For the first eight months of 1991, they discovered, arrested, and turned over to authorities for prosecution 186 large smuggling cases consisting of 894 tons of latex, 265 tons of cement, 109 tons of nitrate fertilizer, 20 tons of steel and 7 tons of construction iron, more than 100 tons of copper, 4,016 kg of nickel, 1,500 kg of aluminum, 33,687 foreign cigarettes, and hundreds of other items in large amounts.

On 10 June, the Haiphong border guard flotilla arrested a vessel from the Inland Waterways Federation of Enterprises 3 (Haiphong) and confiscated 200 tons of white cement and 560,000 dong in people's currency. On 14 August, the Binh Dinh border guard unit arrested a seagoing vessel carrying 135 tons of goods that had evaded taxes. On the same day, the border guard post at the Quy Nhon port arrested three ships carrying 277 televisions, 180 cassettes, 231 video cassette recorders, 39 sewing machines, and eight motorbikes valued at nearly 600 million dong. On the following day, this post

discovered and arrested another case of smuggling; the value of the goods was nearly 200 gold bars.

A new, dangerous phenomenon that has emerged is the professional smuggling gang and large smuggling incidents that have people and weapons as escorts. On 5 August, the Cao Bang border guard troops arrested a subject and confiscated 1.5 kg of opium. On 6 August, the Quang Tri border guard arrested three subjects and confiscated 180 kg of explosives. The An Giang border guard troops arrested a weapons trader and confiscated three K44 weapons. On 17 June, the Muong Khuong border station arrested six who were taking two women across the border to sell.

To us, we should combine combatting cross-border smuggling with combatting the consumption and gathering of goods in the interior. Hundreds of thousands of foreign cigarettes alone are taken across the southwest border daily. Legal organs should stringently prosecute organized smuggling gangs and support those who perform public service.

The system of reward and punishment should also be reviewed. Border guard troops are one of the forces directly struggling to stop this and are operating independently in difficult and complex territory, but there is no appropriate policy of encouragement.

### Nguyen Vinh Nghiep Speaks on State Capitalism

922E0051A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Oct 91 p 2

[Speech by Nguyen Vinh Nghiep, chairman of the Municipal People's Committee; place and date not given]

[Text] Before the implementation of the renovation line, our city's economy was composed of three main elements: the state economy, joint state-private enterprises, and cooperatives. But the joint state-private enterprises were actually part of the state economy and so, basically, there were only two economic elements.

With the renovation line, the economy now has five elements, or to be more exact, there are many economic elements.

The state economy plays a guiding role in the general economy and accounts for 62.6 percent of the social product. But it is still weak. It is weak not only with respect to capital and technical equipment but also with respect to management. Today, only 20 percent of the state units are making a profit.

As for the non-state economy, after the implementation of Politburo Resolution 16, the city took initial steps and achieved positive results. But on one hand, our policies have not been able to stimulate expansion of the non-state economy, and many members of the bourgeoisie have failed to invest capital. On the other hand, the state does not have experience and management has

been loose, which has generated many negative phenomena. As for the collective economy, the agricultural, small industry and handicrafts, and commercial cooperatives are all experiencing difficulties, and they are groping for a way out.

We are carrying on a socialist revolution without going through the capitalist stage of development. But there must be a transitional stage in order to build the material and technical base of socialism (China's slogan was the "4 moderns"). Without this foundation, we cannot build socialism. Being impatient and wanting to move straight to socialism is voluntarism. It's utopian.

At a time when the our state economic elements are still very weak, the state economy should control only the key sectors and profitable businesses in order to create really strong effects in the general economy so that the important and most complex economic problems can be solved. But we must also soon study and revise the state economic policies and enable them to stand firm and develop in accord with the above requirements.

As for the non-state economy, particularly the private economic elements, we must be bolder in our policies in order to stimulate growth and implement the slogan "wealthy people, strong state."

But it must be realized that the capitalist economy will develop based on fierce class divisions. In society, as the number of wealthy people increases, more and more people will grow poorer and poorer. Our ideal is to have a fair and humanitarian social system, with the first thing being to limit and gradually reduce inequality in society.

Because of the above objective situation, which has the nature of a law, in the transitional stage to socialism bypassing the capitalist stage of development, in my view, we must make an effort to exploit and boldly use state capitalism using suitable forms.

Lenin was the first person to study and advocate using state capitalism. He said that "because we can't move directly from small-scale production to socialism, we should use state capitalism as the intermediary link between small-scale production and socialism. This is a flexible transitional form that is essential for average and undeveloped countries that are entering a transitional period."

In our city today, although we do not have much experience in using state capitalism, we already have a number of installations that are following the state capitalist form. These are operating well and growing. But there are few of these, because we have not acted boldly or actively guided things. These are share enterprises and share corporations.

Recently, I met with a number of directors and general directors of corporations and state enterprises. While talking with them, by chance, I learned that they were using state capitalist forms. Because of the difficulties in

production and business today, these people have taken assets of the state enterprises and corporations and asked a number of their acquaintances to invest capital in establishing share enterprises and corporations. In just a short period of time, they have achieved very good economic results (each dong invested has earned one dong in approximately one year, and one ounce of gold invested has earned a profit of one ounce of gold). This has benefited both state enterprises and individuals, and so they are very enthusiastic about expanding this.

Understood in a broad sense, state capitalism includes share enterprises and corporations, joint enterprises and corporations, or joint ventures, enterprises that do work on contract, distribution agents, asset lease contracts, the construction and exploitation of infrastructure projects, and so on.

We must make flexible use of the above forms in order to contribute to expanding production and creating jobs for the laborers. At the same time, we must renovate technology, increase the amount of modern technical equipment, and in particular, mobilize capital and technology in order to build the infrastructure.

These are the essential factors in the transitional stage and the firm preconditions for socialism. But, in my view, our city must give attention to using the following forms: share corporations and enterprises, joint venture corporations and enterprises, export processing zones, and industrial zones under such forms as lease contracts or joint ventures and contracts for the construction of roads and bridges. The contractors must be allowed to exploit the projects for a specific period and then turn them over to the state.

As for the share corporations and enterprises, there must be many flexible forms such as encouraging many private individuals to invest capital in the formation of share enterprises and corporations. Or it may be possible to convert the cooperatives and production cooperative teams into share corporations and enterprises. The state corporations and enterprises that are experiencing difficulties concerning capital and technology may want to switch to being share corporations or enterprises in order to improve their position and expand. Or the state can actively invest capital and ask private individuals to establish share corporations and enterprises. We can even invest in a number of profitable joint state-private corporations and enterprises in order to turn them into share corporations and enterprises (and allow them to continue managing things as before).

As for the lease form, China has many special economic zones and has contracted to lease land to foreign corporations.

As for us, we must make an effort to build the Thu Duc export processing zone and the Tan Thuan industrial zone. We must ask foreign capitalist corporations to build roads and bridges and other infrastructural

projects. They will be allowed to earn money from these for a specific period of time and then turn them over to the state.

Our city has great potential with respect to capital, technology, and skills (production and business management standards). We have just begun to renovate the economic management mechanism and so the policies have not yet been perfected and our guidance is not really good. Nevertheless, we have still managed to mobilize a fairly large force for production and business and for essential social projects. For example, in the housing construction sphere, during the past five years, we have built 30,000 houses with a total value of 600 billion dong. Of this, state budget funds accounted for only 5.2 billion dong. In production and business, not counting foreign investment, we have mobilized several trillion dong. In just three years, Precinct 11 alone mobilized 30,000 ounces of gold.

There is no reason to fear state capitalism (Lenin taught us that). This is state capitalism, not private capitalism or monopolistic capitalism, and it is led by the party. The state is managing things based on a socialist orientation. We must have a high degree of unity and boldly implement things. Each period, we must review things, learn the lessons, and make revisions in order to perfect the policies and improve guidance.

### **Mekong Delta Economic Development Discussed** *92SE0088D Hanoi VIETNAM COURIER in English* *Nov 91 p 11*

[Article by Huynh Van Ba]

#### **[Text] Big Potential, Great Contribution**

The Mekong Delta lies at one end of Vietnam and extends over the geographical limits of nine provinces: Long An, Tien Giang, Ben Tre, Cuu Long, Dong Thap, An Giang, Kien Giang, Hau Giang and Minh Hai. Its area of natural land amounts to nearly four million hectares, i.e. 12 per cent of the total area of the country; its population is 14.2 million, i.e. 21 per cent of the total population.

With such a natural area, the Mekong Delta boasts 3.3 million hectares of exploitable land used in agriculture and forestry, i.e. 25 per cent of the whole country, and 82.5 per cent of natural land of the whole region. Agricultural land now being used amounts to 2.44 million hectares, i.e. 35 per cent of the total area of the country. Land under rice at present amounts to 1.9 million hectares, i.e. 46 per cent of the entire country.

The land is mostly constituted by alluvium. It is large and smooth. The Mekong Delta has a tropical climate, and an abundant source of water from precipitations and from the river, thereby being able to meet the requirements of many species of plants and animals with high yield and quality.

11.9 million out of its 14.2 million inhabitants live in rural areas, including 5.36 million labourers. This is a powerful force in comparison with the scale of land and resources now being exploited in the Mekong Delta.

Besides the advantages in land, climate and labour force, the Mekong Delta has another advantage: an existing network of crisscrossing rivers and canals in Nam Bo and a system of industrial installations, especially processing industries and repair engineering which, along with agriculture, have gradually developed turning out products for domestic and foreign markets.

Rice output in the Mekong Delta was brought from 4.6 million tonnes in 1976 to over 9 million in 1989, i.e., 48 per cent of that of the whole country. The rate of market rice is 44.5 per cent. In 1989, apart from local consumption and supply to Ho Chi Minh City, Eastern Nam Bo and Northern Vietnam, 1.4 million tonnes of rice were exported.

Food production has made it possible for the Mekong Delta to develop animal husbandry. In recent years, though the increase was generally slow with the herd of pigs decreasing sometimes, the output of different kinds of meat amounted to 35-40 per cent of that of the entire country.

Besides rice cultivation and animal husbandry, there is a rich structure and large-scale development of short-term industrial plants, and fruit trees. In comparison with the whole country, the proportion of production of sugarcane is 48 per cent, coconut 80 per cent, and other fruit trees about 50-60 per cent.

Another strong point of the Mekong Delta lies in shrimp and fish rearing and their natural exploitation. The proportion of shrimp and fish yield here is over 40 per cent of the total catch and 60 per cent of the total export of the country.

It can be said that with such a big potential, the Mekong Delta constitutes a big market in the new present economic mechanism. It is a market likely to create a very rich relationship between purchase and sale at home and abroad.

#### **To Create a Powerfully Developed Market**

To solve this question, the realities over the past 15 years of agricultural transformation and development point out that the following should be successfully settled.

First, rice production in the Mekong Delta has been for a long time a commodity one. In 1989 food output per capita was 632 kg. With the structure of market rice production reaching over 44 per cent, one peasant of the Mekong Delta has got about 300 kg of rice to be sold on the market. Besides, there exist other products like fruits, industrial plants, shrimp, fish, etc. The output of these products is essentially a commodity one.

According to the 1989 data collected by related branches, the structure of the peasants' income in a number of areas in Hau Giang province is as follows:

Income from cultivation: 40-50 per cent, from animal husbandry: 5-10 per cent, trade and handicraft: 15-25 per cent, and other sources: 15-25 per cent.

In general, the income here is rather high as compared with other areas. Nevertheless, to turn this income into purchasing power, the following questions must be successfully solved:

To try by every ways and means to purchase from the peasants the major part of their agricultural commodities at appropriate prices. As a matter of fact, during the first months of 1991, food production in Northern Vietnam met with numerous difficulties, prices soared up. Nevertheless, according to assessments by the food branch, the quantity of commodity rice still in the hands of the Mekong Delta people amounted to over one million tonnes. The food service could not purchase it for a variety of reasons, the main one being lack of money and inadequate management.

In encouraging demands and raising the purchasing power with economic and social policies, attention should be paid to the adjustment of the structure of the peasants' requirements and expenses.

According to available data, the structure of the peasants' expenses in some areas of Hau Giang province is as follows:

Expenses incurred in production: 15-20 per cent, in food: 30-40 per cent, in living conditions: 15-20 per cent, in culture and education: 1-2 per cent, and other expenses: 10-15 per cent. It is clear that expenses incurred in living conditions and particularly in culture and education are too low. The proportion of other expenses (ceremonies, funerals, wedding...) is too high. The imbalance of expenses depends upon the customs and practices of each region and is also greatly influenced by the structure of the commodities sold to the peasants.

Although the Mekong Delta people are scattered over a wide area they are provided with convenient means of communications, particularly waterways. On the other hand, there are here a great number of district and provincial towns regularly distributed in different areas. That is why in the market system of the rural areas of the Mekong Delta, we should take into account the agencies' role in the purchase of agricultural commodities as well as in the sale of agricultural materials and consumer goods.

Second, over 80 per cent of the population of the Mekong Delta live in rural areas; 75 per cent of households are middle peasants who have capital, are hard working people and know how to manage their work. Nevertheless, there still exist over 20 per cent of poor households who lack capital to invest in production.

Consequently, in the strategy on market, we should attach great importance to the credit policy in rural areas. At present, poor households in the Long Xuyen quadrangle and in a number of other areas are not allowed to borrow capital from the State because they have not enough property for mortgage. They have to borrow loans from private individuals at interest rates three to five times higher than those of the State. A great differentiation is now taking place in the life of people in many rural areas.

Finally, the market strategy must be placed in the context of organic relations with the programme of promoting the development of the rural areas in the Mekong Delta to create a new relationship between supply and demand that can ensure both an increased purchasing power for peasants and an all-round and effective development of the economy.

The following objectives are to be carried out in the development of the Mekong Delta by the year 2000: 15 million tonnes of food, i.e. 60 per cent of the food production of the entire country; development of industrial plants, fruit trees, animal husbandry... linked to the processing industries so as to meet the requirements of domestic consumption and export. The export value may reach one billion dollars.

With its existing potential and actual development tempo of the past years, the Mekong Delta will be an area producing abundant agricultural commodities and a big and diversified market of the whole country.

#### **Article Views Rubber Production, Prospects**

92SE0088E Hanoi VIETNAM WEEKLY in English  
4 Nov 91 pp 6-7

[Article by Hung Van: "Rubber: A Bustling Market"]

[Text] Never before has the rubber market been so brisk as it is today. Since mid-1990 rubber-producing regions have been visited by various business people on study tours to compare prices, sign contracts, and place orders.

Vietnam's total rubber acreage covers 130,000 hectares including 200,000 hectares under the control of the Vietnam Rubber Corporation. The latex-yielding areas have expanded considerably. The corporation's rubber output is increasing from 52,000 tonnes in 1990 to a projected 58,500 tonnes this year which includes 52,000 tonnes of latex for export. According to its statistics, the Vietnam Rubber Corporation had by the end of August tapped and processed 27,731 tonnes of latex, representing 50.47 per cent of the 1991 plan. The volume of latex already sold to the market has risen to 24,000 tonnes. The ration of export latex produced by latex-processing factories has often accounted for more than 90 per cent. At this point in time, however, the volume of rubber material exported through official channels has reached 11,027 tonnes, representing only 24.79 per cent of the 1991 plan.

A sizeable volume of rubber, especially for export, has been produced but is not clear where it has gone. This year, the Vietnam rubber Corporation is assigned to deliver 7,400 tonnes of latex to the State in payment of its share in a past joint venture with the Soviet Union. Furthermore, the State has over recently allowed the Rubber Corporation to take the initiative in selling their export latex to the market at the international price. However, Vietnam is not yet a member of the International Rubber Union so its export of latex at the international price is faced with many difficulties. In addition, the procedure for converting foreign currencies to the Vietnamese dong remains complicated and cumbersome. The result is that rubber producers lack outlets and are with high stock levels. According to Pham Tongson, general director of the corporation, the Rubber Corporation still had more than 7,000 tonnes of latex in stock at the end of August. By 15 September, as is revealed by reports from many rubber companies, a good quantity of rubber products was still in store, including 2,300 tonnes from the Dong Nai Rubber Company and 670 tonnes from the Dau Tieng Rubber Company.

With 100,000 employees, the Rubber Corporation has to pay an average monthly payroll of up to 17,000 million dong. However the monthly payroll has over the past years often been late due to cash flow problems stemming from slow payment for export rubber quotas. Meanwhile the "underground market" left open along the Sino-Vietnamese border over the past year has encouraged many business people and traders from different parts of the country to prefer this market with its immediate payments.

In the face of this situation, the Council of Ministers on 25 July 1991 decided to set up a team to inspect the buying and selling of rubber materials. At a recent meeting held in Dau Tieng to review the team's work, the director of the Dau Tieng Rubber Company, Doan Van Dan, said frankly: "The biggest responsibility of the managers is to ensure the workers' livelihood. Latex produced by the company is sold to the State but the latter's slow payment has compelled managers to sell latex to others in order to be able to pay workers..."

In the first seven months of this year, the volume of rubber materials purchased by the Rubber Export-Import Corporation from rubber companies was modest. Rubber companies have sold 8,129 tonnes of latex on the domestic market whereas their yearly quota for this market stands at only 6,600 tonnes. At the same time, products sold to customers approved by the Vietnam Rubber Corporation have accounted for only 686 tonnes. Some 26 units, many of them having no business concerned with rubber transactions, have been allowed to buy and have in fact bought a good quantity of latex. This business even involves many State management offices and law-making bodies located in rubber-producing areas. Worse still, Dong Nai province has made a tacit decision to fixing agricultural tax payment with rubber materials with a view to procuring 500 tonnes of latex in the first drive of tax collection.

Many company directors and managers share the view that although there have been sustained efforts to shift the economic management system based on State subsidies to cost-accounting in business operations, the fixed prices for rubber materials during this period of merging into a market economy, remain backward. The fixed price for one tonne of best-quality latex is, for instance, 9,490,000 dong whereas private businessmen and traders can offer from 7,200,000 to 7,300,000 dong for one tonne of latex of the same category.

Due to the shortage of capital and the slow payment of workers' salaries, even during the time of the inspection team's work at rubber companies, the Ministry of Agriculture and Food Industry had to allow the Vietnam Rubber Corporation to let rubber companies sell 1,500 tonnes of their products on the domestic market to enable them to pay their workers' salaries for August and September.

At present, a State inspection team is assigned to work on the settlement of latex buying and selling in rubber-producing areas. Rubber producers and business people of different economic sectors are looking forward to the new decisions to be made by the State on this issue.

Rubber is a strategic product. The State is to reorganize the production and management apparatus in such a way that the State-run units are able to take the initiative in handling latex suppliers and, at the same time, rapidly move onto the international rubber market. Only in this way can a new order on the rubber market be established in Vietnam.

### **Editorial on Economic Measures Approved**

922E0059A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 6 Nov 91 p 1

[Editorial: "Immediately Implement the Four Economic Measures"]

[Text] The fifth congress of the municipal party organization determined the common direction and missions, among which "maintaining political stability" is a primary goal. In order to maintain political stability, concern for the material lives and morale of the people is a basic, indispensable matter. If that is to be accomplished there is no other course than to concentrate on rectifying, stabilizing, and developing industrial and agricultural production, commerce, and services, in order to accumulate capital within the economy.

Industrial, small-industry, and handicraft production in the city has not attained the rate of increase called for by the resolution of the fourth congress of the municipal party organization. In October 1991 the rate of increase in the industrial, small-industry and handicraft production sector was only 6.64 percent over the same period last year and 83 percent of the annual plan had been attained. The city is encountering many difficulties in industrial production. For that reason, after determining the common missions the fifth municipal party organization congress set aside time to consider the major

solutions, including the four economic measures, on which we must concentrate on implementing at present.

1. Expand the market both within the country and abroad, and mobilize all sources of capital to invest in production, especially industrial production, with emphasis on exports, and meet domestic needs with increasing greater quantity and quality and increasingly better product lines.

2. Recommend to the central echelon and the municipality, within the scope of its authority, the immediate promulgation of incentive policies to motivate workers, financial, tax, and monetary policies, and the supplementation of the necessary laws to create conditions for the rapid implementation of investment laws, to create a basic, long-range, favorable business environment, with a socialist orientation.

3. Urgently repair and maintain bridges and roads, stop the deterioration of the infrastructure, and develop and modernize each component, especially the energy, transportation, postal-communications, and water utility sectors.

4. Study the application of technical advances and new technology, and rapidly replace equipment and machinery, along the lines of modernization, in close accord with the demands of the various kinds of markets. Gradually transform science into a direct production force.

Those four economic measures are not entirely new to us. For several years now a number of economic units, because they implemented those measures, have not only stood firm in the common crisis but have prospered. The only regret is that the number of units that know how to operate effectively is still too small.

Following the municipal party organization congress, the precincts, districts, and equivalent party organizations are urgently holding second-round congresses. The party organization congresses of precincts, districts, and equivalent party organizations also must concentrate their intelligence and find solutions to the major question: "In view of the all-round, profound crisis of socialism, especially the fact that the socialist regime in the Soviet Union no longer exists, can our country stand firm and continue to develop on the path of socialism?" That question was posed by the general secretary. The six solutions formulated by Vo Tran Chi, secretary of the municipal party committee, and presented at the congress of the municipal party organizations, must be fully understood by the precinct and district party organizations and concretized in the form of practical action programs. Furthermore, an indispensable content is immediately implementing the urgent economic measures mentioned above, in order to bring about a clear transformation in the city's economy and create the premise for leading our city and the entire nation out of the economic-social crisis.

### Editorial on Capital Shortage, Related Problems

922E0032A Hanoi NHAN DAN in Vietnamese 2 Oct 91  
pp 1, 2

[Editorial: "Capital, An Urgent Problem in Industrial Production Currently"]

[Text] Virtually all industrial installations are lacking capital presently; the situation is at an alarming level for most, especially in the local industrial sector. Fifteen of the total 24 Thanh Hoa state-run industrial installations are either on their last legs or have ceased operations completely due to the shortage of capital. One hundred ninety of the total 295 Thuan Hai state-run economic installations have had to cease production because there is no liquid capital for operation and the more they produce the greater the loss of capital. This situation has been and is taking place virtually all over in the provinces of Ha Bac and Bac Thai, in Haiphong, Hanoi, Ho Chi Minh City, etc.

Generally, capital is still the difficulty in the central state-run industrial sector, though the degree varies. And all installations and sectors are in need of financial support. The heavy industry, light industry, communications and transportation, posts and telecommunications, energy, etc., sectors need billions of dong in capital for in-depth investment, to buy raw materials and supplies, to pay salaries to laborers, etc.

Lacking capital, the production and business operations of installations are ineffective and goods turned out find it hard to compete on the market. This is reality and reflects the overall picture of the country's industrial production presently. The reason for the shortage of capital and the loss of capital can be generalized through a number of aspects. First, for many of the past years virtually all capital for enterprises has been issued from the budget directly or indirectly (through credit). This has led to feelings of dependence, waiting for state subsidies, and enormous reserves of material and products. Once state subsidies were abolished, because production and business were ineffective, this source of material and products was sold off at new prices, but this difference in price was not added to liquid capital and instead was used for "other things." Second, the capital was issued at a point when the rate of exchange between the Vietnamese dong and the dollar was low. Now the rate has increased and raw materials for production have increased as well. In the meantime, the dong is still at the old level and has lost a half to two-thirds of the initial capital. Third, production techniques and craftsmanship are backward, goods turned out are bad, expensive, hard to consume and don't move, economic efficiency is low, and there are no sources of income for expanded reproduction. The efficiency of equipment use by businesses recently was only 30 to 40 percent of equipment capacity, expenditures for energy and raw materials were 1.5 to two times higher than the international average, and up to one-half of the local state-run enterprises and 30 percent of the central enterprises have a deficit.

Fourth, appropriation of mutual capital, now a widespread phenomenon, is at an alarming level: the total debt that must be collected is more than 10,000 billion dong, the debt that must be paid is approximately 8,000 billion dong, and so on.

Without capital there can be no production. But to have capital, in the current situation we need to handle a series of measures concerning the mobilization, use and interchange of capital. The period of waiting for capital to be issued directly from the budget has passed. Installations must create capital through their own means to expand production, increase the effectiveness of production and business and, on that basis, amass capital for expanded reproduction. Effectively use sources of capital mobilized from idle property and material lying in businesses, sources of capital resting in the value of the reserve valuable property of family households, sources of labor potential, nature's raw materials, and the grey matter of the country. Sources of capital from basic depreciation, supplements from profits, etc., must be concentrated on the objective of expanding production. The price difference of accumulated material and products must be put into liquid capital and not used in spending that is incompatible with the objective. Combat corruption in conjunction with combatting extravagance and waste, especially sumptuous feasts, gift-giving, and excessive entertaining. Reorder production, correctly identify product plans, and only produce

items that are needed for consumption, that are profitable, and that are essential. With the reality for over the past two years of embarking on the production of goods, industrial installations have begun to assert their correct place in competition and, based on that, banks have plans to make loans to proper recipients, oriented toward units that operate effectively and support the essential needs of society. Final payment of operational debts and appropriation of mutual capital are also an important measure for increasing sources of capital for production and business. Put an end to the race for capital like "an ant climbs a banyan tree limb." This means production installations and businesses that lack capital only seeking loans from banks; large loans yet operating at a loss, mothers in debt bearing children in debt; the bigger the debt the greater the shortage of capital, the more the plunge into loans, etc., and, because of the inability to pay off debts, loans are impossible.

Obtaining and effectively using sources of capital aimed toward stimulating production to expand is something that is extremely important and essential. This is the prime task of production installations and, at the same time, is one of the important elements of state management of the economy currently. It demands that all levels and sectors from the central to the grass-roots level must be dynamic and implement a mechanism of change that contributes to dealing with the urgent socioeconomic tasks immediately.